THE FINANCIAL POST

The Canadian Newspaper for Investors

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WHY THE TARIFF WAS INCREASED ON WOOLLENS IN 1904

Hansard Records Discussion in the House of Commons

FIELDING CONVINCED

Evidence Indicated That the Industry Was Suffering Sorely and That Greater Protection Was Required

In the course of the tariff discussion The Financial Post as pointed out that the Laurier Government, after enforcing a policy of revision of the duties of woollens to lower levels between 1897 and 1904 at that time decided that in order to preserve the textile industry to Canada protection against British competition must be increased. Laurier went into power on a low tariff platform. In accordance with that platform his government reduced the duties on woollens. In raising them again it must be apparent that it was because it had been proven that it was in the best interests of Canada that this course should be taken. A government does not go against its own policy on such important issues without good reason. Hansard has been searched for authoritative information.

The matter seems to have first been brought up on April 18th, 1904, by Mr. Pringle (R. A. Pringle, the present Paper Controller). He drew the attention of the Government to the serious pass to which the woollen industry in Canada had come. He spoke of the mills as closing their doors because they could not compete against the English manufacturers under the preference, which had reduced their protection, mentioning the Cornwall Manufacturing Company, which had closed its mill and 150 employees had left for the United States.

Mr. Fielding, Minister of Finance, interrupted with the remark that there was apparently some mistake about the mills closing their doors, as he noted that one of the mills mentioned was advertising for business. It was shown, after a long discussion, that the company in question was advertising its property for sale, but was accepting orders subject to the sale of the property.

Mr. Pringle pointed out that $13,000,000 worth of woollen goods had been imported owing to the lowering of the tariff and gave this summary of importations since the preferential had gone into force:

Importations in 1897 amounted to $7,177,954. There was a steady increase up to the time when he was speaking. In 1903 they amounted to upwards of fourteen million dollars. In 1891 there were 213 mills in Canada producing goods to the value of eight million dollars. In ten years this decline to 157 mills with a product of nearly a million dollars less.

Last year (1903) there was a decline of $650,000 in the value of the raw wool imported and of $180,000 in the value of the domestic wool consumed over 1898.

Experience of the States

He compared the position in Canada and the United States. The woollen industry in Canada had a protection of 23½ per cent., while in the United States it ranged from 60 to 150 per cent. Under President Cleveland the industry had been depressed, and the mills were closing everywhere. No revival came until the tariff was increased.

He made a comparison of wages in Canada, Great Britain and Germany. The same employment was paid in Canada, $101,730; in Great Britain, $73,950; in Germany, $52,590. Canada had sent abroad $60,000,000 in the past 6 or 7 years to pay for imported woollens.

Mr. Brock, who was interested in the Canada Woollen Company, whose mills were those referred to by Mr. Fielding, took part in the debate. He said the mills had begun to lose as soon as the British preference was increased, and in the past four years there was a loss of $50,000 a year.

Mr. Logan spoke of the flourishing woollen mills in his county (Cumberland, N.S.). He said he feared British competition was too keen for them but he knew they could safely leave the interests of the industry in the hands of the Government. (Mr. Logan apparently had a tip that some relief was coming). He was opposed to the lowering of the duties on

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Ottawa's Duty to Business

BUSINESS and industry are facing a very unsettled period. The war readjustment is fraught with many serious problems. The prevailing uncertainty in which social unrest and the prices of labor and materials and other factors in the cost of production are the dominant factors is emphasized by the atmosphere of instability at Ottawa. Manufacturers realize that in regard to labor and in regard, also, to the readjustment of various commodity prices the problems are largely their own and as such must be worked out individually, there is nothing to do but face the situation with courage and confidence. But with regard to legislation it is another matter. In view of the other problems which must be faced the Government owes it to the country that its policy should be made clear on such matters.

The manufacturers are faced with the possibility of a tariff reduction; the difficulties of the situation as regards labor and prices are increased by this uncertainty in relation to market protection. The railroads must contend with the possibility of nationalization; these great spending forces, the G.T.R. and the C.P.R., are still under a serious handicap in relation to their plans after they solve the first hand problems. Business generally has learned to fear taxation and regulation—until there is some definite statement of policy initiative is bound to lag. Agriculture has no guidance as to the market for wheat; until there is answer to the question of fixed price other values must remain very uncertain and production programs, therefore, subject to adjustment.

THE FINANCIAL POST has already called upon Sir Thomas White to call together the agricultural, manufacturing and labor interests to discuss the tariff situation and to decide upon some course of action; the issue cannot be evaded. A ruling on the question of the 7½ per cent. war tax and the appointment of a commission to intelligently consider the whole fiscal program would go a long way to clear up the situation and let the manufacturer know where he stands.

Further, it is submitted that the Government should announce its policy with regard to the Grand Trunk and the Canadian Pacific. For over four years these systems have spent little on capital account. They are undoubtedly prepared to carry out active constructive programs, but it is not to be expected that further investment will be made when there is a possibility of Government appropriation.

Also, with regard to the taxation program there should be something definite. Capital, always susceptible to unfavorable influences, will not seek propositions which are under a cloud of uncertainty because of taxation or Government regulation.

Let us emphasize the situation. Industry and business are in a good, sound position so far as the present is concerned. It is the future which causes apprehension. We believe that labor and price problems can be solved if other factors for uncertainty are removed and public opinion remains reasonably rational. But capital looks to the Government for some reasonable assurance of fair treatment and until that assurance is given there will be a tendency to mark time. While capital marks time there will not be any industrial progress or general development, because any such expansion requires money. The investor cannot expect to devote his funds to any enterprise which does not give reasonable guarantee as to security and a fair income.

Combinations and Prices

DONALD MacGILLIVRAY, president of the Halifax Board of Trade, in an excellent address at the annual meeting, brought out very strongly the point that has been constantly repeated in THE FINANCIAL POST, in effect, that the people of Canada were becoming aroused over a group of combinations that were unduly enhancing prices. Mr. MacGillivray, who is general superintendent for Bank of Commerce in the Maritime Provinces, said, and the Halifax *Herald* puts his words in large type:—

"Consumers are weary of high prices and of undue profits, and business people should take warning on this point. Great earnings of the war period should be used with discrimination in reducing prices and in maintaining employment. Canada has great natural wealth and an increasing consuming population, and no folly by Government or classes should be allowed to frustrate the prosperity and happiness that rightly belong to all our people."

In a recent issue we printed the address on "Economic Problems," by E. C. Drury, the chief mouthpiece of the farmers on this topic. It was delivered before the largest and most influential assembly of farmers that has ever taken place in Canada, some fifteen hundred of them. The writer was present during many of the discussions, and chatted with many groups of farmers. More than a year ago we wrote that farmers were, individually, very fair-minded. In talks with them since, we cannot but conclude that their great grievance is not the tariff but the combination of financiers and manufacturers; all through the speeches and all through the conversations, that thought continually cropped out. They frankly admitted that a tariff was necessary as a means of raising revenue, and that it might be necessary for the upbuilding of industries based upon Canada's natural resources, but if the tariff was to be used to enable a few groups of manufacturers to extort high prices, then they were prepared to smash the whole tariff.

This antagonism is not confined to the farmers alone; it is the opinion of the country generally. It is endangering the tariff generally in the interests of not more than five per cent. It is up to the Government and to the Manufacturers' Association to bring influence to bear on this five per cent. by moral suasion and if they fail to respond, their protection should be eliminated, in the interests of Canadian industry generally.

And the public are not holding the Government blameless. Cabinet Ministers have winked at or frankly supported these supposedly powerful combinations.

FEW ORDERS FOR WESTERN COAL

Mild Weather Has a Marked Effect Upon Consumption of Fuel

CALGARY. — The mine operators at Drumheller, Lethbridge and the Crow's Nest are complaining bitterly on account of lack of orders. Ample preparations had been made for turning out a large output, but on account of mild weather comparatively little coal has been used, hence the stocks have piled up until at the present time a large number of mines are closed down. While this is working a hardship on the mine operators, it is working very greatly to the advantage of the general consumer and no doubt will have its effect on the price of coal later on. It is a question whether some of the mines now closed down will open up again this winter, as the best season for coal selling has already passed.

FORTY-EIGHT HOUR WEEK

Reduced Schedule For Employees of American Woollen Co.

BOSTON.—The American Woollen Company will open its mills next Monday on a basis of forty-eight hours weekly and in the event that more business warrants the working of longer hours at times will pay their employees at the rate of time and one-half.

This is the substance of the company's answer to its employees in Lawrence who were called into a conference with agents of the four Lawrence mills to receive the answer which they requested.

HAVE BRITISH STEEL MAKERS STOLEN MARCH?

Seem to Have "Inside" Information as to Duration of War

MARKET SITUATION

Buyers and Sellers Are Now Getting Closer Together—Fictitious Prices For Plate Have Disappeared

By A. R. KENNEDY
Editor, "Canadian Machinery"

Apparently the British steel industry is in good shape to attend to a tremendous amount of business, and it begins to look as though the Britons were out securing their full share of business that is offering from any of the European countries. The list of imports for which licenses are required indicates that the country intends to have the entire situation entirely in hand, and are guarding against any business slipping away that can keep the wheels going at home.

One of the selling agents in this country for large American steel concerns says the impression is growing with the principals of his country that the British steel trade had "put one over" in being in shape for the after-war business. His view is that the British, anticipating a quick finish of the war, had dropped the manufacture of war material and turned their plants over to be in shape for anything that might offer in the way of reconstruction or ordinary lines. In this way they were able to jump into after-war business while the industries of North America were still wondering what to do about completing their war orders.

In this connection it is worth recalling that at the first of the year a representative of THE FINANCIAL POST had an interview with a representative of one of the greatest English steel concerns. At that time he expressed the utmost confidence in the ability of British plants, as they stood then, to go ahead and compete with the world for all the steel business that was offering. It was only a few weeks after that that the first order that came into the world's market for 600,000 tons of steel rails was secured by a British concern at a figure better than was turned in by the United States interests.

Every week sees a new line of British steel on the Canadian market—or it might be more correct to say an old line coming back. All this seems to lend color to the story that the British were well prepared and made the change to peace work well in advance of the rest of the nations.

The Market Situation

Events in the steel trade during the week are moving in the direction of bringing buyers and sellers closer together. The fictitious price of 10 and 12 cents per pound for steel plate has gone, and of course the farther it goes the better for the trade. Sales made at that price were for specific purposes where the finished article was certain to absorb the high priced material. The price from Canadian warehouses has gradually dropped from the day the armistice was signed. For a few weeks it rested at seven cents, and some of the dealers were inclined to think that it would hold at that figure.

The need now—and it is generally recognized—is that there should be as much speed as possible put into the movement to wear down the margin that has been existing between what the warehouse considered a fair price and what the consumer was willing to pay, having in view the chance of a lower selling level in the future.

This week warehouses in this vicinity are quoting plate at six cents, the lowest figure that it has touched for some time, and some of the big producers, selling in this country, are prepared to make their warehouse price even better than that. It is understood that a fairly big contract coming up in Ontario brought out the lower price, as the warehouse most concerned saw the immediate need of protecting the men with whom they were doing business, and acted accordingly. Prices of sheets, which are largely influenced by plate, particularly in the heavier gauges, also moved to a lower level.

PENMANS DIVIDEND

Common Increased From Six to Seven Per Cent.

The dividend on the common stock of Penmans Limited has been advanced from 6 to 7 per cent. Up to 1916 the company had been paying 4 per cent.; in that year and in 1917 a bonus of 1 per cent. was paid in addition, and last year the rate was advanced to 6 per cent. Penmans has for some years been one of the most stable of the Canadian industrials, having been brought to an efficient operating position prior to the war and thus ready to take advantage of the orders for war supplies.

PRIVATE COMPANY CAN STILL PROVIDE A PUBLIC SERVICE

President Beatty Reviews the War-time Record of Canadian Pacific

At the banquet tendered him by the citizens of Thorold—his old home town—this week, President E. W. Beatty took occasion to make reference to the war-time record in physical and financial accomplishment of the big transportation system, and at the same time, to tell of the broad policy being followed in relation to reconstruction, particularly as applied to labor. Naturally, at a function of this kind, Mr. Beatty refrained from discussing the contentious features of such subjects as railway nationalization, but in summing up the war efforts of the C.P.R. the effect upon the audience had not been lost sight of, and he brought home his point when he said that he told of these accomplishments without boastfulness—any other corporation as big and efficient would have done the same—and with the idea of showing how a private enterprise could still give public service.

Speaking directly to the issue of nationalization, he maintained the frank attitude which he has taken in the past and made a plea for mature consideration of such an important matter before a decision is reached. He said:

Of the nationalization of railways much has been said and written, and much more will, I hope, be published and spoken. No one subject justifies our sane consideration at the moment more than this, and when we are sure we are right, and not until then, should we proceed further. Nothing will show that we are right or prove that we are wrong save the experience of ourselves and others. The problem is not confined to Canada, it is being wrestled with in England and the United States, and out of the wisdom of the greatest minds of the three countries some solution can be reached which, having due regard to the conditions in each country and the modification in details and methods in consequence, will be found, and when found will I think be right, because, if there is one thing I thoroughly believe, it is that, given accurate information and a reasonable time for weighing the facts, the decision of the majority of people on a large issue is usually right.

Capital and Labor

Mr. Beatty dwelt comprehensively with the relations of capital and made a strong plea for intelligent co-operation in solving the problems which must be faced. The idea that the old war between capital and labor must be continued was woefully reactionary Capital needed enterprise, and enterprise needed labor. The greatest benefits were to be obtained by working together for the common good. The personal equation could not be eliminated.

On the question of reconstruction, he declared for the consideration of the interests of the returning soldiers. Every effort should be made to absorb them back into the positions in life which they had left. In this connection, he stated that the policy of the Canadian Pacific Railway would be to take back every man within the bounds of reason.

HIGHER TAXES SOUGHT

Corporations to be Subjected to More Taxation by Manitoba.

The Province of Manitoba, if legislation now before the Provincial House carries, will increase the taxation of banks, loan and mortgage companies, trust companies and insurance companies by a considerable amount. A bill for this purpose was introduced this week by Hon. Edward Brown, Provincial Treasurer.

INVESTMENT SITUATION IS COMPLICATED

Process of Readjustment Proves to be Most Disturbing Factor

MONEY ACCUMULATES

With an Increase in Amount of Funds Seeking Investment, Buying Power is Steadily Strengthening

With readjustments still in progress and likely to continue for several months to come, the investment situation is extraordinarily complicated. On the one hand industry is in a state of flux. The change from a war to a peace basis cannot be effected in a moment, nor without a serious dislocation of business. In a falling market, buying, both of raw materials and finished products, is naturally restricted and all influences are for the time being to be classed as unfavorable. There is also a disturbing labor situation to be met, which, while it promises an increasing and cheaper supply of labor, yet exerts a certain disquieting effect on investments by reason of the fear of social upheavals.

On the other hand, with war effort declining and industry slowing down there is an inevitable and rapid accumulation of funds. Money is becoming increasingly plentiful and money rates are falling. For this accession of funds, outlets must be provided, and it is not surprising to find that wherever reasonably safe investments are offering there is a keen demand for them. The most favored outlet at the moment is through the channel of Government and municipal bonds. The well-proved security of these issues commends them to the investor, who may be frightened away

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HEAD OFFICE - TORONTO

A GENERAL BANKING BUSINESS TRANSACTED

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AT ALL BRANCHES

EST'D 1873

TEXTILE MILLS HAVE ENLARGED FIELD IN CANADA

Most of the Ground Gained During War Promises to be Held

DELAY FALL PRICES

In Order to Clean Up Old Orders and to See How Conditions Develop — Strikes and New Hours in States

By Resident Representative

MONTREAL.—If there were uncertainties manifold among textile buyers after the war burst there seem to be almost as many now that war has ended. There is, however, one factor that will enter more and more into the situation, that of a much greater confidence, begotten of a long and trying experience—and victory.

But for all that conditions remain puzzling, over 2½ months after peace has come. Manufacturers are not certain as to the movement in the raw market and the unwillingness of retail buyers especially to commit themselves in advance purchases is a factor they are forced to consider. Raw prices of cotton have gone down since the armistice was signed—up and down like a sort of see-saw, it is true, but more down than up. This applies chiefly to "futures," rather than to "spot" prices. The mill heads tell THE FINANCIAL POST that they have to pay practically as much as they paid months ago for all they require for immediate delivery. "Futures" are down several cents below, but prices on these are much of a gambling proposition. There was a theory that as soon as the war was over prices of raws would jump, for Europe would require huge quantities to make up for lost time. But whether European looms "required" it or not somehow the orders were not in a hurry in arriving, and the market sagged, and then sagged some more. Now and then comes a promise—perhaps where the wish is father to the thought—that in a week or so the available shipping will be loaded with Southern bales, but somehow the time arrives, and with it there is little sign of additional shipping or the longed-for orders. Thus, reconstruction drags on.

Planters Avert Offers

In the South there is a strong movement among the planters who have money to hold the raws, to await a 35-cent offer (where now futures are 22-23, and spot 27-28), and coupled with this is a proposal to decrease the acreage under crop so as to make supply and demand approximate more closely. No final decision has been reached on either of these plans at this time. Meanwhile, with the price of raws lower, but an extreme uncertainty as to whether they may not rise later on, a conflict has arisen between mill owners and employees Demands were made early in February for a 48-hour week, in place of 54 hours, but at the same pay as for the longer period. A number of mills granted the 48 hours, but declared wages must be cut in proportion to the time. Many of the employees accepted; others went on strike; some mills on this demand being received, "closed shop" on the ground that they had insufficient orders to keep the looms at work. Now the would-be strikers charge a "lock-out" on the part of the millowners, and a big textile strike, involving tens of thousands of workers, is on.

U.S. Mills Cutting Prices

One more development across the border of equal importance to Canadians, is the action of some of the cotton mills in cutting prices, some as much as 30 or 33 per cent., for fall, 5, 6, 8, 9 and even 10 cents a yard. It is stated in many cases the mills did this to ensure orders. But the real cutting in prices has come from the jobbers, who were caught by the unexpected ending of the war with large stocks, and were unable to carry for any length of time. Fearful of heavier losses by holding longer, they are offering at a bargain. But Canadian buyers have found for the most part that there is not much offering at cut rates; in Canada none at all from the mills, and limited quantities from jobbers. Labor prices rule as before and a threatened strike of the employees of one mill at Kingston suggests that demands for higher wages may spread to Canada.

Generally speaking, there seems little to indicate a sudden drop in prices among Canadian mills. Since the armistice no cuts have been made: at the beginning of February, indeed, there was an advance of ½ to 2½ cents a yard in several lines of factory cotton. It would appear that the only possibility of a cut in Canadian prices is a threatened invasion of the Canadian field by U.S. mills at have cut prices to get business. Then it is understood Canadian manufacturers have decided they will meet the cut—even below cost—if need be, to retain their hold on the domestic market.

English Competition

So far as English competition is concerned this is bound to grow stronger, but at present there are very few signs of an immediate movement of any magnitude. Indeed, THE FINANCIAL POST was informed that an agent was in Canada at present trying to buy up a number of lines of cotton to send over. Not only are stocks much depleted, but the mills, it would seem, are in no shape to go back to normal production again.

So far as prices for next fall are concerned, so far as can be learned, the most of the mills willl hold off as long as possible, probably until late in March. Most of them are still far behind in deliveries, and they are making an effort to catch up before embarking on a new season. If the new prices are down they would have to fill the balance of the old orders at the lower prices. Moreover, the longer they delay the more definite is likely to be their information on future raw prices, and labor tendencies. Moreover, buyers are more likely to settle down and be prepared to give them business at their own prices than they are at present.

CANADA WILL FACE SHIPBUILDING LOSS

Readjustment of Values Was Taken Into Consideration in Planning Program

By Resident Correspondent

OTTAWA.—The announcement by Chairman Hurley of the United States Shipping Corporation that about one billion dollars will have to be written off the value of the United States Government freight vessels built during the war, leads to the consideration of how the shipbuilding program of the Dominion Government will be affected.

When our Government embarked on its program, it of course, contemplated that a cessation of hostilities would create some such situation. It was not expected that the war would end just about the time our program of building was getting under way; if it had been, the probability is that it never would have been begun. But now that contracts have been let for forty-six ships, at war prices, we shall have to face the situation, and take the loss. Every Government concerned in the war is faced by such difficulties in respect to the large expenditures in many directions; but such things are inevitable.

Ships Will Be Built

At all events, the ships are going to be built; and although they will not cost nearly so much as the United States ships, they will certainly have to be marked down in value a good deal before the program is completed. They were not ordered altogether with the view of embarking on a paying commercial speculation. The situation with regard to shipping was such that some protection had to be provided for the transportation of our grain and other commerce. It was felt that a large Government owned and controlled fleet would always be a powerful lever for the regulation of freight rates; and operated by our Canadian National Railways, as they will be, we shall have a combination of land and water transportation facilities which should prove of immense value both as carriers and as regulators of rates.

There was the further consideration in the mind of the Government, and it was a very important one, that the establishment of a shipbuilding industry would prove a means of employing a large supply of labor during the period after the war when the employment of labor would constitute a problem, as we now see it is doing. If the ships have to be operated at a loss, as from the high capitalization required they probably will be, all the circumstances of the case will have to be taken into consideration. Our Western agricultural friends, for whose benefit they will largely operate, will doubtless be restrained in their criticism of any losses which may ensue.—T.M.F.

NEW TORONTO DIRECTORS

The Bank of Toronto announce that in view of the increasing importance of their business in the Western provinces, it has elected to the Board of Directors Mr. John I. McFarland, of Calgary, president of the Alberta Pacific Grain Company, and Mr. W. R. Bawlf, of Winnipeg, president of the Bawlf Grain Company. Both are young men of conspicuous ability and outstanding position in the business life of the West, and will bring to the Bank of Toronto Directorate an intimate knowledge and wide experience of Western conditions. Mr. Bawlf succeeds his father, the late Nicholas Bawlf, who was the Bank's first Western Director.

OUTLOOK FOR FLOUR MILLS GROWS SERIOUS

Present Conditions Having a Direct Effect on Profits

WANT OPEN MARKET

Millers Argue That Restrictions Should Be Removed so That They Can Try For Neutral Business

By J. L. RUTLEDGE
Editor, "Canadian Grocer"

With the continuance of the embargo against the export of flour to Britain the situation begins to assume a very serious phase. It is now about five weeks since the mills ceased operation on export business, and since that time there has been a practical cessation of all activities. Already the chance of the mills equaling the output of last year is a thing of the past, and the chances of their being able to show a profit of any sort on this year's operations are growing daily less.

The mills are working on a restricted basis of profit of 25 cents a barrel. Under present conditions it is costing them $5.00 a barrel to produce the flour. It is obvious that given any lengthy continuance of present conditions, it will be impossible for them to overtake these losses.

Meanwhile nothing is being done, it is reported that ships that were chartered to move the 40,000,000 bushels of wheat that still remain of the Wheat Export Company's purchases, have been diverted to other uses. The Wheat Export Company has ceased buying, and there is no single indication of any likelihood of further purchases being made.

One Buyer Not Buying

Under normal conditions, the milling companies, ruled out of one market would have gone after another, and would have made business as the United States is doing in various neutral countries. But the Canadian business is under restrictions. It is permitted to sell only to one buyer and that buyer is off the market.

There is the domestic business of course, but with the 125,000 daily barrel capacity of the Canadian mills, that must be approximately maintained if the mills are to operate at any profit, the domestic demand is a small item. With an annual per capita consumption of something less than a barrel and a quarter a year, the very peak of domestic consumption would be some 12,500,000 barrels, while the production would be 37,500,000 barrels, leaving a surplus of 25,000,000 barrels. Argentine is arranging a credit of $200,000,000 to finance buyings of her accumulated stock of grain and is selling it at low figures. Ships returning soldiers to Australia and India are coming back laden, because Britain has a surplus now and can afford to wait for those long hauls, but ships bringing troops to Canada are apparently sailing again light. Yet nothing is being done to meet the situation. Business is merely being permitted to stagnate in this line.

Canada is in the most favorable situation for the European market, and produces the finest grade of flour. The lower prices offering in Australia and Argentine are to a great measure offset by lesser freights, yet no action has apparently been taken to exert any influences to change the embargo, Canadian representatives in England being apparently willing to let this business go by abroad. The millers feel very strongly, that if they are not supported by the Government, they should at least be freed from all restrictions, so that they could exert their own efforts to find a market for the huge surplus that is in sight. Unless something is done in this regard the industry will certainly find itself in a very serious place this coming year.

SCRAP METAL MARKET

Unsettled Conditions Accompanying Price Readjustment.

The scrap metal market does not improve, and dealers are not hopeful of immediate betterment. The situation is the only one that can be expected under the circumstances. Dealers have set up a battered down schedule of prices, and they don't care to buy even at these depleted figures. They fear lower values, and can't see where they are going to win out by buying materials in a declining market. Those who have material to sell are anxious to get out from under. Many of them will lose money were they to sell out their stock at present quotations, but they figure it is better to lose now than to lose more if prices recede any farther. Dealers in some cases are actually losing money, as earnings are not nearly enough to take care of overhead.

The situation is the same on both sides of the line. During the war heavy melting scrap was so scarce that mills paid the full Government limit of $29 delivered, and in the case of the Pittsburgh mills also paid the 3½ per cent. commission, making the cost about $30. Now scrap is going begging at less than $17 delivered at Pittsburgh. The price has slumped badly. It is still slumping and there is no demand.

WHY THE TARIFF WAS INCREASED ON WOOLLENS IN 1904

Continued from page 1

British goods coming into Canada, if it meant the sacrificing of Canadian industries.

Fielding Favors Relief

Mr. Fielding's apparently hostile interjection during Mr. Pringle's speech was in line with an attitude he often assumed to secure information on the tariff. At all events, when he brought down his budget that year, he said he believed the woollen industry was suffering sorely and he proposed to deal with it by a special item. He said the manufacturers were agreed that they could compete with Great Britain in the better classes of goods, but not in shoddy, they argued that a decrease in the preference would shut this out, and he was inclined to agree with them. The existing duty was 35 per cent. on cloths, tweeds, overcoatings, wearing apparel and goods of that character, subject to a preference which brought it down to 23 1-3 per cent. He proposed to fix the minimum on this class of goods coming in under the preferential tariff at 30 per cent.

Effects of Preference

In discussing the question during the budget, Mr. Heyd showed further the effects of the preference. In 1896 the importations of cashmere cloths and doeskins had amounted to $1,170,000; in 1903 it had risen to $2,381,000. 1896, wool coatings $488,000; 1903, $944,000. Between 1898 and 1903 importations of tweeds increased from $428,000 to $1,600,000. While there was an increase in the importation of tweeds of 300 per cent., the importation of wool increased only 11 per cent.

Details of Changes

It was not until March 14th, 1906, that the evidence taken by the Tariff Commission was laid on the table of the House. It consisted of about 24,000 words, and was typewritten. It was decided not to print it.

The following reference was made to changes in the woollen goods schedule:

Mr. Fielding announced that "a new item had been created for flannels, Italian linings of wool, coburgs, lusters, mohair and alpaca fabrics, the rates for which are fixed at British Preference, 22½ ; intermediate, 30; general, 35. The preference on such flannels was formerly 23½. Flannels other than those specified would be dutiableas follows: British Preferene, 30; intermediate, 35; general, 35. The other items, besides flannels, mentioned in this item, which are of a class not made in Canada, were rated at 30% Pref., and they are now reduced to 22½%."

"Blankets, if not of pure wool, will be: British Pref., 22½; intermediate, 30; general, 35. Under the old tariff, all blankets were 35 general, and 23⅓ Preferential. In future, blankets other than than pure wool will be 30% Pref., and 35 general. The old rates of 35 general and 30 Pref., are continued on all other fabrics of wool and on clothing. On knitted goods, of any material, the Preferential is reduced from 23 1-3 to 22½. There is no change in the general rate. Intermediate rate is 30%. The Preferentia on all carpets is increased from 23 1-3 to 25."

ENORMOUS LOANS

Canada Has Half a Billion Outstanding in United States

According to a summary prepared by the Federal Reserve Board at Washington, Canada and Newfoundland, together have outstanding in the United States loans aggregating $462,663,955. These consist of the following totals:

Government	$180,000,000
Prov. and Municipal	116,060,662
Railroad	62,349,000
Public Utility	71,767,500
Industrial	31,486,793
Total	$462,663,955

Foreign countries have loans outstanding in the United States of $9,483,327,330, of which $7,319,504,750 represent cash advances and other charges against credits established by the United States up to November 15, 1918, and $1,639,500,350 represent Government bonds.

Great Britain has been the largest borrower, her loans running to $4,429,423,000; France comes second with $2,705,500,000 and Italy third with $1,051,000,000. Canada stands fourth in the list.

"We are not giving it serious consideration just now," said Grant Hall, vice-president of the C.P.R., to THE FINANCIAL POST, when asked about the report that the company would electrify the main line between Toronto and Windsor.

THINK PROFIT OF MANUFACTURERS MUCH TOO HIGH

Argument For Tariff Revision at the Edmonton Convention

THE PRICE OF WHEAT

Decision Against Asking Government Action—Many Western Problems Intelligently Discussed

By F. W. CRANDALL
Farming Specialist, Calgary

EDMONTON.—The eleventh annual convention of the United Farmers of Alberta and the United Farm Women of Alberta was attented by delegates and individual members to a total of nearly two thousand representing every phase of farming and stock-raising in the West. The spirit of this convention from first to last was of the very best; and while a few flamboyant hot-headed fellows tried to inject some little discord, the coolness of the presiding officer and the good sense of the Convention soon dispelled these small attacks and left the convention to proceed with its deliberations without interruption.

Looking from the reporter's stand from day to day into the faces of this great throng, noting the vital interest that nearly every one took in every subject before the convention, I believe I am safe in saying that this was the most representative body of people gathered in any convention I have ever attended, for general intelligence and as well as for the ability to express themselves in an intelligible and acceptable way, both by the young men who were very much in the majority, as well as the old stagers who had been before the public for many years.

Interest in Politics

From a note of warning suggested in resolution before the Convention it seems imminent that the farmers organizations of the country generally are going to take up vigorously the matter of political representation in our various parliaments, and would-be candidates from now on will have to consider the farmers if they expect to enter either the Provincial or Dominion Parliament Buildings. With an organization so closely in touch with each other as to its actions and with bulletins and suggestions emanating from a grand central headquarters, every farmer organization wherever it may be located may keep itself thoroughly in touch with what is being done in all the other organizations, and this will mean that would-be candidates will have to sit up and take note of what farmers expect them to do when elected, and those already in the saddle will not be lost sight of if they do not support such measures as seem desirable to the farmers' organization.

Profits of Manufacturers

There seems to be a very strong under-current among the delegates present to the effect that the implement manufacturers of Canada were getting entirely too large a profit for their products, and for that reason as well as others there was a very strong feeling that the tariff now existing preventing the United States from shipping implements into Canada without a heavy duty be abolished, and such implements that are necessary for our operations as well as other goods should be brought in duty free. It seemed also a general consensus that the organization of United Grain Growers, with which the United Farmers of Alberta are very closely allied, is doing much toward lessening the prices on machinery, as well as many other necessary products to the farming industry. Just how this will work out it is very difficult to say.

The Price of Wheat

The resolution which had to do with fixing the price by the Government of the wheat crop of 1919 was voted down, thus showing that in its opinion it was not to the best interests of Canada to fix a price on wheat, notwithstanding United States had already placed a guarantee of $2.26 a bushel on the wheat crop over there. There were several other resolutions dealing with this subject, but all are embraced in the one act of the Convention.

The question of a provincial hail insurance was given considerable attention, and it would seem from the discussions at the Convention and the splendid co-operation which is being given by the officials in charge of this Branch that something better than the old systems will be brought out, but this will be a matter of the working out a plan and getting the matter in shape for 1919 operations.

Soldier Settlement

There were several resolutions pertaining to the soldiers and soldier settlements as well as soldier dependents, but for the present at least these are questions with which very little headway can be made until such time as some definite policy has been put forth by the Dominion Government. As to the question of employment of returned soldiers, while I believe it is the desire of every farmer to employ such labor as far as possible, up to the present time it has not by any means been very satisfactory. It has been clearly demonstrated that where returned soldiers are employed and their work has proved unsatisfctory and they have been discharged, much attention has been given this by the central soldiers' organization to such an extent that the average farmer employer hesitates on this account.

Banks Giving Service

While the question of a banking system which was brought before the convention by J. W. Leedy received considerable attention, those best fitted to understand financial matters looked upon the basis as entirely too insecure to justify it being carried out to any extent. As a matter of fact experience of most of us has been that there is very little difficulty in getting funds from any of the established banks if you make a proper showing as to what is expected from the investment of such funds. As a matter of fact the banks already established have been locating a large number of branches in the various towns of Alberta this winter, and it seems to most of us that there are plenty of facilities for handling matters requiring funds when the responsibility of those requiring such funds has been sufficiently established.

The question of the extension of several of the railway projects which were under construction before the war, there was a strong feeling that these should be again taken up and relieve many of the districts now quite remote from transportation, using as far as possible the returned soldiers in such construction and thus relieving a very critical condition existing at the present time. Among such projections was the Suffield and Blackie line, the Grand Prairie line, the C. N. R. Edmonton line, as well as lines extending to several other districts now remote from transportation.

EXTENSION OF FREE RULE FOR TRACTORS

Raw Materials Also Placed on the Tariff Rebate List

By Resident Representative

OTTAWA.—It may be indicative of the way the wind is blowing that the Government has extended the order "until further notice" admitting gasoline tractors costing less than $1,400 free of duty; and has also granted a draw-back of 99 per cent. of duty paid on raw materials used in the manufacture of gas or gasoline tractors and repairs therefor since February 7th, 1918, the date when small tractors were first admitted free of duty. This is a recognition of the principle urged by many manufacturers, and agreed to by the advocates of free implements, that removal of the duty on raw materials shall go side by side with the removal of the duty on the implements themselves.

It was generally felt that the order made a year ago would be extended. To do otherwise would have precipitated a crisis which the government is not anxious for. There must be some sort of a sop for the Western Cerberus who is hot on the trail of the protective tariff; and there is no more embarrassing question before the Government now than how it is to meet the demands which it is expected will arise as soon as the house meets.

There are three sources of possible relief for the Government; it might drop the 7½c war tax; it might grant the west its most insistent demand—for free implements; or it might appoint a tariff commission to go into the whole question. If it desires to avoid precipitating a crisis in its ranks, as we must naturally assume it does, the wisest course would seem to be the appointment of a tariff commission. There can be no positive objection to this course from either side. It does not commit the Government to anything immediately; and the avoidance of immediate difficulties in its ranks is its most pressing problem. With the biggest revenue-raising problem confronting it which any Canadian Government ever had to face, it will require singular heroism to lop off that forty million from the war tax. It has the time-honored excuse that "it needs the money." and the war tax has certainly been effective in providing it.—T.M.F.

HON. MR. BEAUBIEN RENEWS HIS PLEA FOR SAMPLE TRAIN

Declares Delay in Making Arrangements Due to Unfriendliness

PROMPT ACTION

Condition of French Railways Will Be Such as to Permit of Satisfactory Carrying-out of Project

The appearance last week of a reference to the proposed inter-allies sample train, has prompted Senator Beaubien to submit a communication protesting against the delay in carrying through this project and complaining that the news item in THE FINANCIAL POST evidently emanated from the same source, "which, up to the present time, under the cover of an apparent friendliness, has multiplied pretexts for procrastination." The Senator continues:—

Your correspondent states that when submitted to the Canadian Manufacturers Association, the secretary of the association, G. M. Murray, intimated that in the opinion of the manufacturers the time was not propitious to realize the idea. This both contains a half truth and a mis-statement.

The plain truth is that when so submitted, the association made a written report to Sir George Foster, fully endorsing the proposition and recommending its immediate preparation. The following extract from a letter addressed on this subject by G. M. Murray, secretary of the Canadian Manufacturers' Association, to Senator C. P. Beaubien, on the 8th Feb., 1917, fully establishes this fact:

"I did not suggest memorializing the Government in order to have them ascertain from the Prime Minister of France whether the French Government was willing to have the project carried out now. The meaning I intended to convey was that this enquiry had already gone forward at the instance of Sir George Foster. I simply asked the members of our Committee if they would approve my placing the Association on record as favoring immediate preparation for the exhibition, including the collection of exhibits, the equipment of the rolling stock, the preparation of literature, etc., on the understanding that the train would not be put on tour until the opportune time had arrived, and until the French Government gave its official acquiescence.

"The replies from the members of our Executive were such as to enable me to write Sir George Foster on Tuesday, the 6th inst., urging that the work of preparation be commenced at once. I stated that we would be prepared to support the idea with a deputation, though we had no desire to take up the time of busy cabinet ministers in receiving a deputation, providing the Government was prepared to act on our recommendation without further pleading. I requested him, if in the interests of the project he thought a deputation advisable, to arrange an appointment with the Prime Minister and notify me by wire. I am still without any word from him in reply to this suggestion."

On the 10th April, 1917, in a letter addressed to the C.M.A., Sir George Foster states that he has received from the French Government the advice that our "Exhibition should be arranged as quickly as possible, so as to take advantage of the first opportunity for display in France." Sir George adds that: "In the light of the information received from France, a speedy decision should be arrived at as to plan and procedure."

In view of the above, no doubt can be entertained as to the opinion expressed in February and April, 1917, both by the C.M.A. and the Minister of Trade and Commerce as to the urgent necessity of preparing our sample train.

That the C.M.A. have not modified their views on this subject is clearly shown by a resolution adopted by the general council of the association on the 13th Nov., 1918, again fully endorsing this proposition and strongly urging its immediate preparation to the Government. It will take months of hard work before our exhibits, literature, films, etc., are prepared, shipped, displayed and ready to be launched. What is requested from the Government is that this work of preparation be forthwith undertaken

What the condition of the French railways may be at present matters little, as we cannot be ready to launch our train before several months to come. What matters is our preparedness when the propitious time comes. As to the attitude of the French Government concerning this matter, notwithstanding the allusion to the contrary in the article above referred to, it has in no way varied.

As a matter of fact, as recently as the month of November last, this Government, through regular channels, conveyed anew to Sir George Foster, its desire to see both countries make immediate preparations with a view of releasing both Canadian and French sample trains during the coming summer.

It is to be presumed that the French Government, which has taken control of all its railways, has not made this recommendation without knowing that whatever may be the present congestion of its railways, their condition in a few months will be such as to permit the satisfactory carrying out of this project.

In view of the facts above mentioned, why delay any longer? Let us prepare immediately and avail ourselves of the first propitious opportunity.

TRADE COMBINES AND THE PUBLIC

Frankness and Co-operation is Needed by the Millers and Packers

By Resident Representative

OTTAWA. — Judging fram the amount of discussion one constantly hears on the tariff, and the information from the west, it will be vain to expect that discussion of the issue can be longer postponed. The general feeling is well illustrated by an incident which arose in the course of an interview I had to-day with one of the ablest outside men who has come to Ottawa since the war began. He has proved a very strong man in one important position under the Government, and has recently accepted another of equal or greater importance. The gist of the interview, I can give; but when asked to lend it the influence of his name he replied, after a hesitation: "I guess you had better not. This subject is almost sure to come up in the House this session; and if what I say should be quoted, I would have no chance to reply." He has no financial interest in provisions or flour.

We were talking on the short-sighted policy combinations of capital have adopted in Canada, of fighting rather than co-operating with the public, which would be friendly to them if there were not so much misunderstanding. "The public is reasonable enough, if the situation were explained to them," he said. "Take the case of the millers, for example. The average man uses only about a barrel of flour a year, and the millers profit on that is on a basis of about twenty-five cents. I do not think any reasonable man would say that that is excessive. A number of the mills made an actual loss on their operations on this basis. Other mills, owing to superior equipment, location, power facilities, superior management, or very large capacity; or perhaps that all the flour they produced was for export, so reducing the costs of operation, have made large profits. The barrel out-put of such concerns contributed largely to the treasury through the war-tax. The same thing is true of the packers. In order to encourage production among the farmers there had to be an attractive price for hogs; but the margin per pound on bacon is less than before the war. Owing to the big demand and increased turnover, some of the packers made large profits; but they had to find money and pledge their credit and securities in order to carry on business. A number of packers made no money and some have failed.

If the public thinks there is so much money being made in such lines, co-operative concerns of the same kind might be attempted. Take bacon, for example. Why is it that we cannot secure home-cured bacon? There would be a large and steady demand for it. The situation seems to be that the packers can perform the function cheaper than the farmers could. It is a question of applied efficiency; the handling of a large volume of material, which, at a small profit makes a large aggregate. One of the difficulties we face to-day is the export question. Thousands of individual small butchers butchers or farmers could not be expected to handle export business; so from a national and economic point of view, the packers are performing a useful function by buying livestock and making bacon at a low cost; taking business risks; finding a market, and exporting the farmers products in a form suitable for shipment.

The great trouble is that the millers and packers of Canada do not face the situation; come out boldly and candidly and explain just what an important function they are performing. They should show that they are an integral and useful factor in our commercial welfare. The people of Canada are not unreasonable; but many of them are "from Missouri," and if the facts were laid before them and they understood the situation, a lot of the silly criticism which one sees in the correspondence columns of the press would cease."

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Banking Service

The attention of manufacturers is drawn to the excellent facilities this Bank offers in all branches of a complete banking service.

A good banking connection is an essential to the success of the manufacturer or merchant.

THE CANADIAN BANK OF COMMERCE

Capital Paid Up, $15,000,000. Reserve Fund, $15,000,000

THE ROYAL BANK OF CANADA

INCORPORATED 1869

Capital Paid Up - - - -	$ 14,000,000
Reserve and Undivided Profits -	15,500,000
Total Assets - - - -	427,000,000

HEAD OFFICE, MONTREAL

Sir Herbert S. Holt, President.
E. L. Pease, Vice-President and Managing Director.
C. E. Neill, General Manager.

530 Branches in Canada, Newfoundland, West Indies, Central and South America, etc., distributed as follows:

Canada	465
Newfoundland	6
West Indies	47
Central and South America	9
Spain (Barcelona)	1
U.S.A. (New York)	1
Great Britain (London)	1
	530

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NINETEEN BRANCHES IN SASKATCHEWAN
HEAD OFFICE, - WEYBURN, SASK.

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HEAD OFFICE AND EIGHT BRANCHES IN TORONTO

INCORPORATED 1855

THE BANK OF TORONTO

Head Office: TORONTO, CANADA

Dividend No. 150

Notice is hereby given that a Dividend of Three Per Cent. for the current quarter, being at the rate of Twelve Per Cent. per annum, upon the Paid-up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its Branches on and after the First day of March next, to Shareholders of record at the close of business on the Twelfth day of February next.

By order of the Board.

THOS. F. HOW,
General Manager.

The Bank of Toronto, Toronto,
January 29th, 1919.

Mercantile Trust Company of Canada
LIMITED
Hamilton, - - - Canada

Acts as Executor, Administrator and Trustee. Administers Real Estate.
We have special facilities for handling property in the Niagara Peninsula.

Cyrus A. Birge, *President* S. C. Macdonald, *Manager*

The Toronto Railway Company

REPORT OF THE PRESIDENT AND DIRECTORS

For the Year Ending 31st December, 1918

YOUR Directors present herewith the Twenty-seventh Annual Report, together with Balance Sheet and Profit and Loss Account of the Company, for the year ending 31st December, 1918.

The operations for the year do not show the usual increases, the main reason for such condition being the higher wages paid to employees and to the high cost of materials, attention to which was called in our last Annual Report.

The Gross Earnings amounted to		$6,526,302.37
Charges for operating, maintenance, etc., including Judgments and Fines given against the Company but still unpaid, other than Injuries and Damages		4,509,651.33
Net Balance from Operation		$2,016,651.04
Distributed as follows:—		
Dividends paid	$480,000.00	
Bond Interest, etc	138,660.47	
War and Provincial Government Taxes	75,155.27	693,815.74
Payments to City:		
Percentage on Earnings	$1,046,495.24	
Pavement Charges	98,817.20	
General Taxes	155,953.74	1,301,266.18
Balance carried forward		21,569.12
		$2,016,651.04

The earnings of the Company, which amounted to $6,526,302.37, show an increase of $234,543.31 over the earnings of the previous year. The various charges against the earnings for operation, maintenance, etc., include provision for judgments and fines given against the Company but still unpaid.

The payments made to the City of Toronto amounted to the sum of $1,301,266.18, which amount, when compared with payments made during the previous year, shows an increase of $114,234.86.

The large increase in wages granted to the employees in June, 1917, was paid throughout the year. Notwithstanding that this increase was granted under a binding agreement which does not expire until June, 1919, the employees asked for a war bonus of from 11 to 16 cents per hour, to date from October 1st, 1918. The Government, at the request of the employees, appointed a Conciliation Board, which Board awarded an increase of 2½c per hour to those employees in their first six months' service, and 2c per hour to all other employees covered by the agreement.

The eighth drawing of the Company's currency and sterling bonds, under the terms of the mortgage deed dated 1st September, 1892, took place on the 21st day of June. Under said terms the Company draws annually during the last ten years of its franchise, five per cent. (5%) of the amount of bonds issued, thus reducing during the ten years mentioned, the outstanding bonds to fifty per cent. (50%) of the original issue, and all bonds so drawn are to be redeemed on or after the 31st day of August following the date of drawing, from which date no interest is payable on bonds so drawn. There has been drawn to date a total of $1,819,466.64.

At a meeting of the Directors held immediately after the close of the Annual Meeting on 6th February, 1918, it was deemed advisable to increase the number of the Directors of the Company from seven to nine, when a By-law was enacted accordingly, which By-law was confirmed at a Special Meeting of Shareholders held on the 6th day of May, 1918, on which date Mr. Hugh Mackay, K.C., of Montreal, Quebec, and Mr. Herman H. Pitts, of Ottawa, Ontario, were duly elected Directors of the Company.

Your Directors declared out of the accumulated surplus earnings of the Company four quarterly dividends of one per cent. (1%), all of which dividends were paid on the several dates set for payment.

A regular monthly audit and verification of the books, accounts and vouchers was made by W. S. Andrews & Company, Chartered Accountants, and their certificate has been attached to the Company's Balance Sheet.

Respectfully submitted,
WILLIAM MACKENZIE,
President.

REVENUE STATEMENT

For Year Ending 31st December, 1918

Gross Earnings		$6,526,302.37
Operating, maintenance, etc., including judgments and fines given against the Company but still unpaid, other than I. & D.	$4,509,651.33	
Interest on Bonds, etc	138,660.47	
Percentage on Earnings	1,046,495.24	
Pavement, Taxes	329,926.21	6,024,733.25
		$ 501,569.12

PROFIT AND LOSS ACCOUNT

31st December, 1918

Balance from last year (all re-invested in the Company's property)	$5,543,683.55
Surplus Earnings after payment of all expenses, interest, taxes, etc.	501,569.12
	$6,045,252.67
Dividends, four of 1 per cent, each on the paid-up capital	$ 480,000.00
Balance carried forward	5,565,252.67
	$6,045,252.67

ASSETS

Road and equipment	$19,586,974.97
Advances to subsidiary companies	1,450,910.74
Guarantee of Toronto Power Co. (Gold Notes discounted on their behalf)	1,000,000.00
Stores	230,949.84
Accounts receivable	545,012.49
Cash in and hand in bank	794,950.18
	$23,608,798.22

LIABILITIES

Capital Stock		$12,000,000.00
Bonds		2,730,253.35
Short Term Gold Notes		1,000,000.00
Mortgage		70,000.00
Bills and Accounts payable		972,462.00
Accrued interest on bonds		41,066.00
Dividend No. 90, payable 2nd January		120,000.00
Reserves:		
Judgments and Fines given against the Company but still unpaid, other than Injuries and Damages	$253,479.00	
Provision for Renewals	272,268.00	
Ticket Redemption	296,927.02	
I. & D. Insurance Fund	287,090.18	
		1,109,764.20
Profit and Loss (all re-invested in Company's property)		5,565,252.67
		$23,608,798.22

Certified correct,
W. S. ANDREWS & CO.
Chartered Accountants.

The Board of Directors was elected as follows:—

BOARD OF DIRECTORS
President
SIR WILLIAM MACKENZIE
Vice-President
LT.-COL. THE HON. FREDERIC NICHOLLS

Brig.-Gen. Sir Henry M. Pellatt, C.V.O., Hon. C. P. Beaubien, E. R. Wood, Geo. H. Smithers, Hugh MacKay, K.C., Herman H. Pitts, Frank W. Ross. R. J. Fleming, General Manager; J. C. Grace, Secretary-Treasurer.

DISCRIMINATION IS CHARGED RE SHIP CONTRACTS

Toronto Builders Say They Have Not Received Their Share

POLSON'S EXPERIENCE

Claim is Made That Permission Was Given by Ottawa to Take Foreign Contracts and Later Withdrawn

By T. H. FENNER
Editor, "Marine Engineering"

A peculiar situation is disclosed by the letter to the Toronto City Council from J. B. Miller, of the Polson Iron Works. Mr. Miller states that he closed contracts in 1917 for ten vessels for Norwegian interests for delivery in 1919-20-21. Before making the contract the necessary permission was sought from Ottawa, and Mr. Miller was given to understand this would be granted. On this assumption the contract, amounting to $6,650,000, was closed, and the Polson Iron Works received a first payment from the purchasers of 10% of the contract price. Applying to the Government for a copy of the order-in-council, to give the purchasers, Mr. Miller was told it had not been signed, and furthermore would not be, the reason given being that the Government would need all the Canadian yards for the building of their own fleet. The Government stood fast to this decision, and protest was of no avail, the result being the contract had to be cancelled, and the payment already received returned. When the Government gave the contracts for their fleet, none came to Toronto.

This means that as far as can be seen the Polson Iron Works must close down as soon as present contracts are finished, which will be in the next few months.

There is building in Canada for Canadian Government and foreign account a total tonnage of, roughly, 300,000 d.w. in steel construction, and 3,500,000 tons of wooden construction. All this work is divided between yards spread from coast to coast, and in most cases the firms concerned have work in sight well into 1920.

Should Be Work For All

Taking the state of the world's tonnage there should be a demand for shipping in the next four years sufficient to keep all our yards busy with profitable work. The fact that the Canadian Government has guaranteed orders for ship plate to the Dominion Steel Corporation for the next five years would premise that they have further contracts in view after the present 39 ships are completed. A few weeks ago contracts were let to a firm from the States who leased a yard in B.C. Toronto gets no Government contracts, and according to the statement of Mr. Miller, is prevented from accepting private contracts.

As far as the wooden ship is concerned there is no argument in favor of such construction, except where steel cannot be procured. It would not be good policy for the Government to build this type of ship purely for the sake of making work. It would be a waste of the country's money. However, yards should not be forced to close down when legitimate contracts are available. The loss is not only to the firms concerned, but to the city generally, and the scores of allied industries affected by the shipbuilding trade.

COST OF SULPHITE TO BE INVESTIGATED

Result of Continued Inquiry Into Book Paper Costs at Toronto

Owing to the slow progress of the Book Paper Inquiry, a deputation representing the Trade and Class Section of the Canadian Press Association attended before Sir Thomas White, Acting Prime Minister, on January 22 last, and as the outcome thereof the investigation into the cost of book paper was resumed before the commissioner, Mr. R. A. Pringle, K.C., at Parliament Buildings, Toronto, on the 5th and 6th inst. Mr. H. A. Stewart, K.C., of Brockville, represented the Government; Mr. Glyn Osler, K.C., the Trade and Class Paper section of the Canadian Press Association; Mr. George H. Montgomery, K.C., of Montreal, the Book and Writing Paper section of the Canadian Pulp and Paper Association, and Mr. J. M. Godfrey, K.C., the Kinleith Paper Company, the Toronto Paper Company, and the Provincial Paper Mills Company.

The proceedings were opened by Mr. Glyn Osler, K.C., proceeding to examine Mr. Clarkson, the accountant appointed by the commission, on his investigation of the costs and profits of the Provincial Paper Mills Company. Mr. Clarkson's evidence was to the effect that the costs of only one company engaged in the manufacture of book paper had been investigated; that no investigation of the cost of sulphite, as used in book papers and half tone papers, had been held at all, and that the profits of the Provincial Paper Mills Company, Limited (subject to certain specified charges thereon), were as follows:

In 1914, 9.65% of the selling price.
In 1915, 11.22% of the selling price.
In 1916, 16.75% of the selling price.
In 1917, 13.06% of the selling price, and for the first six months of 1918, 19.07% of the selling price, and further, that the average margin of profit between "cost" and "selling price," per 100 pounds, had been as follows:
In 1914, 38c.
In 1915, 45c, or 118.42% of that in 1914.
In 1916, 93c, or 244.73% of that in 1914.
In 1917, $1.10, or 289.47% of that in 1914, and in the first six months of 1918, $1.47, or 386.89% of that in 1914.

In spite of the increase in the cost of labor and raw material, due to war conditions, the company had, in fact, from 1915 on received back from their purchasers the full amount of the average cost, on 1914 basis, the whole of the extra cost actually incurred through the higher price of labor and materials, the full margin of profit they would have made under 1914 conditions, and an additional average profit, per 100 pounds, of 7c, 55c, 72c and $1.09 respectively in the periods set out above.

Mr. Clarkson adhered to the opinion that the profits were reasonable, although the rate thereof for the latter part of the period reviewed was shown to be greatly in excess of the rates that the Federal Trade Commission had found in the United States Book and Paper Enquiry to be excessive and not justified.

The commissioner stated that he was prepared to deal with the matter with an open mind, and he finally ordered an investigation into the cost of sulphite, as used in book papers and half tone papers, and undertook to have the whole investigation pushed to completion in the most expeditious manner possible, and on lines generally satisfactory to the counsel for the Trade and Class Paper section.

The prosecution of the enquiry was strenuously combated by Mr. Montgomery, K.C., on various ingenious grounds, between whom and Mr. Osler there were frequent tilts.

DUNNING CLAIMS FARM LOAN SCHEME IS SUCCESSFUL

Saskatchewan Farm Loans Board Has Lent $1,755,288 in Year and Half

IS NOT PAYING WAY

Cost of Operation Exceeds the Revenue, But it is Hoped to Reverse This When Loans Reach Five Millions

Considerable attention was directed by Hon. C. A. Dunning, Provincial Treasurer of Saskatchewan, to the operations of the Farm Loans Board of that province, during the course of his budget speech last week. Mr. Dunning announced that up to December 31, 1918, after having been in operation for a year and a half, the Board had loaned $1,758,288. The total cost of administration in this time, exclusive of refundable disbursements such as inspection fees, which are chargeable against the borrowers direct, and also legal disbursements, which are in the same position, was approximately $26,000. Mr. Dunning admitted that the Board was not self-sustaining, nor did he expect that it would be self-sustaining until it had loaned at least $5,000,000.

Money Hard to Get

"There has been difficulty in raising the money to provide the Board with funds," declared Mr. Dunning, alluding to the financial conditions prevailing and the inability of the Government to press the Greater Production Loan on account of the Victory Loan campaigns. The Greater Production Loan had realized to date about $1,500,000, of which $400,000 represented Treasury investments. On these bonds the Government pays 5 per cent., while the Farm Loans Board lends at 6½ per cent. The bonds have a redemption feature but Mr. Dunning was pleased to say that total redemptions to date had only amounted to $160,260, or 10 per cent. of the total subscriptions.

The total number of loans made was 1,015, covering 1,438 quarter sections, the average loan per quarter section being $1,223. Further applications for loans, approved by the Board, will bring the total up to about $3,000,000 while total applications are now in the neighborhood of $9,000,000.

Payments Well Met

Mr. Dunning claims that borrowers are meeting their obligations in a very satisfactory way. It had been one of the criticisms levelled at the scheme, he tsated, that debts owing to the Board would suffer the usual fate of debts due to the Government. At the end of the first six months only a comparatively small number of loans had payments in arrears. Subsequently all were paid in full. At December 31, 1918, the amount of overdue principal was only $3,593.

In concluding his reference to farm loans, Mr. Dunning said that the Government was well satisfied with the scheme. "It must be remembered," he remarked, "that the principal object was to reduce the cost of money to the farmer as well as to affect the terms and conditions upon which he will get that money, and there is ample evidence on hand that we have affected those conditions. Through our farm loan scheme we have affected the attitude of the mortgage companies generally towards the farm loans, and I would point out that while the cost of nearly everything in this province has gone up from 100 to 200 per cent. since the war started, the cost of farm loans has gone down. Loans through mortgage companies have become cheaper to the farmer and I do not think we are taking too much credit to ourselves when we say that the chief reason for this is the existence of the Farm Loans Board.

RUSSIAN ROUBLES BANNED

Traffic in Canada in Russian Roubles Has Been Forbidden

Following is the text of the recent order-in-council forbidding traffic in Russian rouble notes in Canada, action having been taken on recommendation from the Secretary of State for the Colonies:

"Whereas the Minister of Finance, referring to a despatch from the Right Honorable the Secretary of State for the Colonies, dated 5th October, 1918, inviting the attention of the Canadian Government to the desirability of taking measures to prevent the exportation of Russian rouble notes from Canada reports—

"That he finds that prohibition of export was established in Great Britain because of strong enemy demands for these notes for use in Russia;

"That the importation and exportation of this class of currency is under restrictions in the United States;

"That so far no restrictions have been placed on the importation and exportation of such currency by Canada for the reason that the traffic in these notes was not found to be at all considerable, and

"That recently, however, it has been ascertained by the Post Office Department that large importations of Russian roubles are being made through Canada with the view of supplying banking firms in the United States with the currency in question;

"Therefore His Excellency the Governor General in Council, in view of the foregoing, is pleased, on the recommendation of the Minister of Finance and under and by virtue of the provisions of the War Measures Act, 1914, to order that the importation into Canada of Russian rouble notes shall be and the same is hereby prohibited, except in such cases as may be deemed advisable by the Minister of Finance under license to be issued by him."

WILL BORROW HEAVILY

Saskatchewan Plans to Spend $6,728,000 on Capital Account

In his budget speech last week, Hon. C. A. Dunning, provincial treasurer of Saskatchewan, announced that the Government intended to secure legislative authority to borrow to the extent of $6,728,000. This sum would be necessary if the Government was to do what the people expected in the way of reconstruction or resumption of activities, which were stopped by the war. The net bonded debt of Saskatchewan at December 31, 1918, was $29,635,906, or $39.83 per capita, and of this debt $13,159,000 is self-sustaining.

The reconnaissance survey of the Pas-Flin Flon railway indicates this road may be constructed 75 miles. It is intended to serve the copper fields. The Canadian National Railway board authorized the survey on application of the Toronto owners of a big body of copper sulphides at Flin Flon.

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18-22 KING STREET EAST, TORONTO

THE MORTGAGE SITUATION IN THE NORTHWEST

Payments Fairly Well Met Despite the Crop Conditions

BUSINESS IS GOOD

President Gordon, of Standard Trusts Company, Says There is No Reason For Any Anxiety

In reporting for the 1918 period, during which profits of $93,785 were almost equal to the total of $94,171 in the previous year and considerably better than the $87,919 shown for 1916, J. T. Gordon, president of the Standard Trusts Company refers to the fact that interest and principal mortgage payments were fairly well met despite the drought in Southern Saskatchewan and Southern Alberta as well as the frost in the northerly sections of the same provinces; however, a fair amount of arrearages would have to be carried over and seed grain in a number of cases will have to be supplied to those afflicted. "There is nothing, however," continues Mr. Gordon, "in the present conditions throughout the Canadian Northwest to cause any anxiety. Trade is good and likely to improve with a return of Canada's sons to a pastoral and agricultural life from scenes of warfare. Readjustments from demobilization must necessarily take time and tact."

In addition to the profits of $93,785 there was available for distribution an additional $62,500 being the premium on the new issue of $250,000 of capital stock. Of the total $77,802 was distributed in dividends and by drawing on the previous balance the sum of $100,000 was added to reserve bringing the total of that account to $600,000. The balance was reduced from $27,158 to $5,640. Following is a comparative summary:

	Net Earnings	Added to *Reserve	Capital
1918	$98,785	$100,000	$1,000,000
1917	94,171	20,000	750,000
1916	87,919	.....	750,000
1915	98,265	30,000	750,000
1914	118,155	25,000	750,000

*From Profits.

Increased Capital

During the year the company's capital was increased from $750,000 to $1,000,000, and President Gordon explains that this was accomplished without the slightest inconvenience.

Following are comparative features of the principal items of the balance sheet:

	Capital
1918	$1,768,325
1917	1,515,904
1916	1,284,257
1915	1,268,198
1914	1,237,432

Clients	Estates	Total
$4,591,551	$7,100,293	$13,460,169
4,890,383	8,373,862	14,780,149
5,180,393	8,230,183	14,964,813
5,587,939	8,407,268	15,263,405
6,064,610	9,095,085	16,397,127

ALL ABOUT WAR LOANS

Toronto Bond House Issues Valuable Handbook on Subject.

A useful service to investors has been rendered by A. E. Ames & Co. in placing in convenient booklet form a mass of information about Canadian war loans. The booklet, which has just been issued, is entitled "War Loans, Resources and Progress of Canada," and it not only furnishes complete details of all the Dominion's five war loans but gives many particulars about the security back of them and answers numberless questions that may arise regarding the buying and selling of bonds, the effect of the income tax, etc.

A glance at the table of contents shows what a mass of interesting information is compacted in this little booklet, including charts and comparative tables about Canada's loans, her national wealth and income, investments of the United States and Great Britain in Canada, the record achievement in the matter of loans, war debts of belligerents, the effect of the income tax, how to handle your investments, etc., etc.

DANFORTH DISTRICT BOOMS

Much Building in the North-Eastern Section of Toronto.

Building is brisk at present in the Danforth district of Toronto, the activity being due in large part to the completion of the Bloor Street Viaduct and the operation of street cars across it. Prices being asked for real estate on Danforth Avenue itself run from $60 to $75, with corner lots from $75 to $100 per foot. On the streets to the rear of Danforth Avenue, lots are selling on a graded scale according to the distance back. Thus on the first street, property sells at $40; on the next street at $38 and so on down to $30. One builder is putting up 16 stores; another is putting up 8, and these are being disposed of almost before they are started.

TORONTO MORTGAGE SOLD DEBENTURES

Sterling Funds Showed An Increase During the Past Year

A slight decline in the profits of the Toronto Mortgage Company for 1918 reflected a continuation of the conditions which have accompanied the war and which have affected the market for capital as well as the field for loans. Now that the war is over, however, there is every indication of an improvement in the outlook in both directions as the value of capital declines on the one hand and the demand for loans increases on the other. The net showing was $89,542 as compared with $90,824 in the previous year and a high record of $95,140 in 1916. The manner of distribution is indicated in the following comparative table:

	1918	1917	1916
Bal. forward..	$ 37,871	$ 35,010	$ 27,834
Profits	89,542	90,824	95,140
	$127,415	$125,834	$122,974
Distribution—			
Dividends ..	$ 57,964	$ 57,964	$ 57,964
Reserves ...	30,000	30,000	30,000
Balance ...	39,449	37,871	35,010
	$127,413	$125,835	$122,974

The earnings on capital were at the rate of 12.4 per cent. and on investment 6.6 per cent. Following are features of the company's record for the past five years:

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Rate
1918	$724,550	$89,542	8	12.4	6.6
1917	724,550	90,824	8	12.6	6.9
1916	724,550	95,140	8	13.1	7.8
1915	724,550	93,038	8	12.8	7.4
1914	724,550	90,437	8	12.5	7.4

The Balance Sheet

The total assets at $3,171,712 showed an increase from $2,141,401 in the previous report, but liabilities to the public remained practically without change. In this connection an outstanding feature in view of the conditions prevailing was an increase in sterling debentures, the total of $1,396,708 being about $30,000 higher. Currency debentures were about $8,700 lower at $242,717 and deposits were lower by about $21,600 at $116,952.

Mortgage loans showed a further contraction, the total of $2,041,945 comparing with $2,172,383, the difference being invested in Government bonds. Call loans on fully paid stocks were somewhat lower.

FEWER CHANGES IN MONTREAL LEASES WILL TAKE PLACE

In Spite of Higher Rents, the Tenants Are Renewing

LARGE HOUSES STICK

Office Rentals Are Also Up From Ten to Twenty Per Cent. For Leases Expiring This Spring

By Special Representative

Montreal leases that expire on the first of May next went into effect automatically where no notice to the contrary was given by the first of February, or after three days of grace were allowed. The general report of the real estate men is that there are fewer changes provided for this year than usual—this in spite of the fact that rents have been raised almost universally all over the city.

And these increases would be enough to draw forth outbursts of indignation on normal occasions. This year they were accepted as a belated sign of the high cost of living. An increase of $2.50 in a moderate rental was very mild. Five dollars was a common occurrence. Cases were noted, not a few, where a house or flat that rented for $30 a month, was raised to $40. The landlords went at it in every quarter, and rather strange to say, the tenants seemed to recognize from the first that they were hopeless; that to give notice in token of disapproval meant a tumble from the frying pan into the fire. They seemed to know as by underground currents that the other landlord was doing the same as their own, and that they would not advantage themselves to pay out the tremendous charges that the moving men would tax them on the common moving day of May the first.

The explanation given by the real estate owners, who are better organized in Montreal than in most cities, was a two-fold one. They pointed to the special tax of 35 cents per $100 extra that was levied last year and this by the municipality. Then in the case of apartments, the cost of coal was away up. It should be noted that with houses where the landlord did not supply the coal the increase seemed to go into effect just the same. The landlords declared that under existing rentals they were not making money on their investment. There had been practically no building for several years, and little in sight this year, and the men who were returning from overseas were planning to take up apartments or houses, whereas their families had been doubling up or boarding for the most part when they were away.

The single exception that real estate men give to the increased rentals was the larger houses. There, as last year it had been found very difficult to rent, and the cost of coal for the tenant played a factor in this to a great extent both years. The lack of demand settled the matter for this class, and few rents went up.

Office Rentals Up

The increases in very many cases applied to offices as well as houses and apartments. Most of the large office buildings report increases of anywhere from ten to twenty per cent. for those tenants whose leases expire this spring. Thus an office that rents for $1.25 a square foot may have gone up to $1.50; the $1.50 one to $1.75, and so on. The owners were enabled to do this, it is declared, from the fact that fewer offices are vacant in Montreal this year than last. Some claim that large office buildings do not bring in a clear 3 or in some cases even 2 per cent. on the investment under present rentals.

There is a distinct revival in buying reported by agents as compared with the last four years. Many houses have changed hands already; not at pre-war prices, but at a fair decline from this. Buyers still demand a good bargain before they will put up much cash, but there is one argument that is used to good service in making sales, that the price at which the house is held is far less than the same house could be bought for with materials and labor as high as they are at the present time. This often decides the scale in favor of an immediate purchase,—this and the difficulty in securing places to rent at a fair price.

THE U.S. BUILDING OUTLOOK

Operations Have Not Started as Promptly as Was Expected

Building operations have not started as promptly as we were led to expect, declares the monthly letter of the old National Bank, Grand Rapids, but the unemployment of labor has not yet assumed any considerable proportions. Returning soldiers and sailors will find their former positions or better ones ready for them in the majority of cases, but some millions of workers, until now engaged in war production, will be compelled to seek new employment. Building projects, public works and other enterprises which can employ labor in large numbers, must be gotten under way promptly, and each business man should do his part in urging forward such work in his own community.

Building operations for the principal cities for November totaled 19 million dollars compared with 47 million dollars for the same month a year ago. As this figure represents building permits, indications are clear that the expected building movement had not yet begun.

FARM LANDS IN DEMAND

Report From Alberta Shows Good Inquiry Now For Farms

Reporting on the real estate situation in and around Calgary and Edmonton, F. W. Crandall of Calgary states that he finds there is a very great inquiry for farms, especially where there is a reasonably large area ready for spring cropping.

"While at the present time," says Mr. Crandall, "there is no great advance over the former prices asked, there is every reason to believe that, if we get the usual spring rains, there will be a very active demand the coming spring. So far as city property is concerned, there is at the present time a scarcity of desirable property for homes, and it looks as though when a large number of people make their usual move from their winter quarters in apartment houses to individual premises, everything in sight will be taken up and will leave a good open field for the building trades to get busy and put up a large number of houses this coming season. With plenty of labor available and material at lower prices than was the case the past few years and with rents very much advanced over a year ago, this field seems to offer a very good opportunity for investment."

CONTINUED GROWTH OF WATERLOO LOAN

Profits Are Higher and Assets Show Increased Deposits and Debentures

The growth of the Waterloo County Loan and Savings Company which has been healthy and continuous during the war period is being well maintained according to the annual statement for 1918, the profits of $40,462 comparing with $34,355 in the previous year and $31,762 in 1916; assets increased from $1,408,131 to $1,846,040 during the year. Thos. Hillard, the president, observes in his report that a steady growth in business was maintained during the whole period of the war and "it is not unreasonable to suppose that with future development of the country the operations of the company should show continued expansion in all departments."

The earnings at $102,846 compared with $85,498 in the previous year and charges increased from $51,143 to $62,384. Following are comparative figures of the profit and loss account showing the manner of distribution of funds:

Profit and Loss

	1918	1917	1916
Earnings	$102,846	$ 85,498	$ 66,376
Interest—			
On deposits	$ 24,737	$ 21,555	$ 15,077
On deben. .	16,708	12,344	6,259
On loans ..	2,595	.....	.....
Com. on loans	1,463	1,389	1,460
Expenses	16,285	15,355	11,818
Written off ..	596	500	.....
	$ 62,384	$ 51,143	$ 34,614
Net earnings	$ 40,462	$ 34,355	$ 31,762
Prem. on stock	4,367	646	4,305
Bal. forward..	1,225	1,878	2,456
	$ 46,054	$ 36,879	$ 38,523
Dividends	$ 26,022	$ 24,153	$ 21,645
Reserve	15,000	10,000	12,000
Contingent ..	3,500	1,500	3,000
Balance	1,532	1,226	1,878
	$ 46,054	$ 36,879	$ 38,523

Outstanding features of the company's earnings record for the past five years follow:

Rate of Earnings

Year	Capital Paid-up	Profits	Div. %	Capital Profits	Rate
1918	$481,802	$40,462	6	8.4	8.3
1917	415,366	34,355	6	8.3	7.7
1916	383,779	31,762	6	8.3	8.3
1915	332,876	25,323	6	7.8	7.0
1914	300,458	17,504	6	7.1	6.2

The company's assets of $1,846,040 show an increase of about $440,000 practically all of which is in savings and debentures and in a new item "deposit receipts" of $225,000. These assets have been largely invested in the Victory loan, mortgages being slightly lower. Cash on hand is substantially higher.

CANADA'S WEALTH

A Total Estimate of $19,000,000,000 for the Dominion

R. H. Coats, Dominion statistician, recently prepared an exhaustive statement dealing with the capital wealth of the Dominion, which would seem to indicate that the per capita wealth of the country compares very favorably with that of the United States. He estimates that the wealth of the country is between 16 and 17 billion dollars, and the total income of citizenship to be between two and two and a half million dollars. His inventory of the national wealth is as follows:

In the Country—	
Improved lands	$ 2,792,229,000
Buildings	927,584,000
Implements	387,079,000
Livestock	1,102,261,000
Capital Investments—	
In fishing	47,143,000
In mining	140,000,000
In manufactures	2,000,000,000
Railways	2,000,000,000
Street railways	160,000,000
Canals	123,000,000
Shipping	35,000,000
Telegraphs	10,000,000
Telephones	95,000,000
In the Cities—	
Real state, etc.	3,500,000,000
Furniture, etc.	800,000,000
Government coin	119,000,000
Specie in banks	82,000,000
Other specie	7,500,000
Imported merchandise	250,000,000
Current Production—	
Agriculture	1,621,028,000
Fishing	39,000,000
Forests	175,000,000
Mines	190,000,000
Manufacturing	2,400,000,000
Total	$19,002,788,000

Mutual Life Assurance Company Of Canada

FINANCIAL STATEMENT

For Year Ended December 31, 1918, as submitted at the Annual Meeting held at Head Office, Waterloo, Ontario, on February 6, 1919.

CASH ACCOUNT

INCOME

Net Ledger Assets— 31st December, 1917	$30,499,558.36
Premiums (Net)	5,021,518.20
Interest, Rents, etc.	1,999,584.87
	$37,520,661.43

DISBURSEMENTS

Death and Disability Claims	$1,553,077.60
Matured Endowments	479,958.62
Surrendered Policies	409,374.69
Surplus	838,466.15
Annuities	10,541.40
	$3,291,418.46
Expenses, Taxes, etc.	1,182,735.23
Balance Net Ledger Assets— 31st December, 1918	$33,046,507.74
	$37,520,661.43

BALANCE SHEET

ASSETS

Mortgages	$13,921,438.73
Debentures and Bonds	13,457,486.89
Loans on Policies	4,488,148.06
Real Estate	800,506.70
Premium Obligations	36,886.99
Cash in Banks	457,988.12
Cash at Head Office	727.22
Due and Deferred Premiums	662,577.77
Accrued Interest, etc.	929,976.11
	$34,755,736.59

LIABILITIES

Reserve, 3½% and 3% basis	$27,782,269.66
Special Investment Reserve	889,469.51
Reserve for unreported Death Claims	35,000.00
Surrender Values claimable on Lapsed Policies	1,095.55
Death Claims unadjusted	585,066.66
Matured Endowments unadjusted	11,282.00
Dividends due Policyholders	107,048.99
Dividends allotted to Deferred Dividend Policies issued since Jan. 1, 1911	325,542.27
Dividends allotted to Accumulative Dividend Policies other than Deferred Dividend Policies	665,064.39
Due on account of Office Expenses and Medical Fees	25,874.47
Taxes and Rents accrued	49,782.92
Premiums and Interest paid in advance	58,286.11
Credit Ledger Balances	116,674.97
Surplus 31st December, 1918	4,603,279.09
	$34,755,736.59

Surplus on Government Standard of Reserve Valuation $5,313.956.70.

Audited and found correct,
J. M. SCULLY, F.C.A.,
Auditor.
Waterloo, January 28th, 1919.

CHAS. RUBY,
General Manager.

COMPARATIVE STATEMENT

	1917	1918	INCREASE
Income	$ 6,424,515	$ 7,021,103	$ 596,588
Paid to Policyholders..	2,513,991	3,291,418	777,427
Assets	32,165,432	34,755,737	2,590,305
Expense to Total Inc..	17.65%	16.84%	.81%
New Assurances	20,124,563	21.541,069	1,417,506
Assurances in Force ..	123,511,314	137,640,614	14,129,300

THE FINANCIAL POST

President - - - - JOHN BAYNE MACLEAN
Vice-President - - - - - - H. T. HUNTER
Manager - - - - - - GORDON RUTLEDGE
Editor - - - - - - - - J. W. TYSON

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TORONTO, FEBRUARY 8, 1919

HONORING A BIG EXECUTIVE

THE complimentary banquet and reception tendered to E. W. Beatty, president of the Canadian Pacific Railway, by the citizens of Thorold this week was not only marked by features unique to such functions, but had a significance of national breadth in the relations between the public and business. The idea of the people paying tribute to organizing and executive ability is, unfortunately, novel in these days when so much depends upon the development of directing genius and when so much is being done by the newspapers and socialistic busy-bodies to misrepresent their efforts and discredit their enterprises.

As president of the world's greatest transportation company there are few men who individually are in a position to do more for the progress of Canada and the prosperity of Canadians. The attitude of the people of the town where he was born might very appropriately be assumed by a much wider community. But the present day trend of public opinion is to discount the worth of individual ability. And big executives, unlike politicians, cannot afford to spend the bulk of their time in cultivating public opinion; if they do their enterprises will suffer just as the average national business enterprise suffers under the present political system. Organizing and executive ability has been responsible for that industrial progress which has been accompanied by what may be almost termed the emancipation of labor—machinery and co-operation have lightened the hours and the burdens of the working classes.

In order that this progress may be continued many big men are required, for it is on the directing genius of the individual that big organizations must in the last analysis depend. It is said to-day that there are many ten-thousand-dollar-a-year jobs in the United States and there is the individual instance of weeks of unsuccessful effort to find a $50,000-a-year man for the direction of a new national "bill" banking system. Thorold did a big thing when it honored E. W. Beatty, president of the Canadian Pacific.

FARMERS, BANKS AND MANUFACTURERS

THE significance of the fair-minded interest in Canada's banking system displayed by the United Farmers of Alberta at the Edmonton convention, referred to in THE FINANCIAL POST last week, should receive full consideration as bearing on relations between the business interests of the East and the agricultural interests of the West. Miss E. Cora Hind, commercial and agricultural editor of the Manitoba *Free Press*, who has been in Toronto this week, emphasizes this spirit displayed by the convention, which she attended, as indicating the willingness of the Western farmers to extend fair treatment to business institutions. There were several incipient efforts to advance Bolsheviki doctrines, she states, but the saneness of the great majority of the delegates ruled.

The discussion of the banks and the banking system arose out of what amounted to an effort to put the convention on record as in favor of a unit system as employed in the United States. This was advocated by a former American who possesses the facility of making himself effective on the platform and who talked recklessly of how the Canadian banks merely took the money from the farmer for the benefit of the manufacturers of the Eastern cities. He spoke in an attractive way of the advantages of the American system with local directors to handle the funds of the depositors in the interests of local borrowers.

The case for Canadian banks was handled by Vere Brown, superintendent of Western branches of the Canadian Bank of Commerce. Despite the fact that he had to deal with a highly technical subject he was given the closest attention for nearly three hours. He compared the systems of Canada and the United States, and going over a period of history argued for the safety and stability of Canadian banking—this proved very effective with the audience on the ground that safety is, after all, the first consideration in a bank.

Perhaps one of the most interesting phases of Mr. Brown's address was when he dealt with the argument of the individual board of the American unit system. He said that his bank stood ready to meet the public in this connection if they wanted local directors to decide the bank's policy. Further extensive inquiries had already been made in this connection and the verdict was that the Western farmers did not want local boards—there had been a distinct feeling that customers did not want their business known to the neighborhood.

The attitude of the farmers at the Edmonton convention on the banking question and the decision against asking for a fixed price for wheat indicates an appreciation of business and economic conditions which, we believe, can be developed also in relation to the tariff. The West is out for lower duties and the demand must receive reasonable consideration. But we do not believe that the free trade talk is anything but political propaganda.

Vere Brown and others are telling Western farmers about Canadian banking; the committee of twenty-five in Winnipeg is bringing agricultural and financial interests together. There is opportunity for the manufacturers to work on similar lines

CROSS-EXAMINING MR. BOGERT

THE Toronto *Telegram* has instituted a modern inquisition by subjecting C. A. Bogert, past president of the Board of Trade, to a cross-examination of thirty-one carefully prepared questions on the Hydro situation to which his replies were evidently required without an opportunity to consider the points raised or to make explanations. The whole is then presented to the readers evidently with the idea that Mr. Bogert has been given a fair opportunity to express his views on the situation.

We would take great pleasure in assisting Mr. Bogert in preparing another list of thirty-one questions to be submitted to the editor of the *Telegram* or to Sir Adam Beck if they will undertake to reply to them "off the bat" and in the space accorded to Mr. Bogert.

EQUAL PROFITS BY GREATER PRODUCTION

A REMARKABLY frank statement was drawn forth this week from the Dominion Textile Company in defence of their position in a strike that has occurred at their Kingston mill, which threatened to develop a sympathetic movement among a number of outside unions. The company had refused a demand for a shorter working day; an increase in the rate of pay; and the re-instatement of certain employees said to have been discharged by the company because of their union activities.

The first two demands the company grouped as inevitably resulting in an increase in the cost of production. This, the company declared, it had not the slightest objection to—provided it could find a market for higher priced goods. During the war costs went up, but they were able to meet these increases by advancing their prices for goods. "War conditions gave every mill as much work as it could handle. As will be remembered," the company points out, "the demand for goods for war purposes was so great that it was possible to obtain the higher price made necessary by the higher costs of production. But the war stops! War orders are cancelled. Mills, instead of being assured of work for months in advance, are looking for orders to keep their machinery going." The old-time purchaser, looking for lower prices, was holding back. In the States mills were cutting down work to two-thirds their capacity.

The whole appeal calls attention to another point: That for the average factory the era of huge profits of war time has come to an end. Competition alone will call for a cutting down of margins. Henceforth—with equal production—most industries, and the shareholders, must be content with smaller returns. That is unless a larger market is found for the goods, by export or widening the domestic demands. This is one of the lessons that is being brought home to manufacturer and investor alike.

DR. COULTER AGAIN

ANOTHER of the Deputy Postmaster-General's—Dr. Coulter's—fads has been cancelled. The man has a most extraordinary mental peculiarity, due, no doubt, to the fact that he was appointed, without any experience whatever, to the direction of one of the largest business organizations in Canada—Post Office Department. He was a village doctor in Sir William Mulock's—the then Postmaster-General's—constituency, and the appointment was given as a reward for political services. He was put over the heads of hundreds of men who had grown up in the service and knew its needs. He has hampered the mails, hampered the good men of the Postal Service, and has introduced regulations which had to be amended again and again and finally had to be abandoned, as being unworkable.

The press of Canada has suffered from his idiosyncrasies since he took hold of the postal work, but it was not until the big strike of postal employees last summer that the nation, as a whole, grasped his incapacity, when it was found that his neglect and indifference to the needs of the service were largely responsible. The new Postmaster-General, Colonel Hon. Mr. Blondin, evidently sized him up, and soon after he assumed office he eliminated one of Dr. Coulter's fads, the mongrel, confusing, letter stamp with the "1c War Tax" on it, which Dr. Coulter insisted should be used to let the people of Canada know there was a war on.

Another of his fads was a regulation forbidding the printing of a statistical table lengthwise on a newspaper column. Any paper contravening this regulation was heavily fined by having to pay excess postage. The press could get no relief from Coulter. Recently a financial paper was stopped on this account and the publishers went over his head to the P.M.G. himself. He was amazed that Dr. Coulter was trying to enforce such a silly regulation and he promptly cancelled it, together with another that the latter has been enforcing for years, which prevented a newspaper from running a heading across two pages.

The whole postal service is in bad shape, and no man is more responsible for it than Dr. Coulter. He should be removed at once, and one of the bright young men with some years' experience in the service, who has shown his capacity to do things and get things done, should be put in his place.

Some years ago the POST quoted from a Guelph daily evidence of similar absurdities to those mentioned above in the handling of the mail trains, whereby letters were delayed for hours. Worse conditions exist to-day, not only locally but between Eastern and Western Canada.

THE PRINCIPLES OF THE ROCKEFELLER LABOR CREED

Putting Fair Play to Work in New Partnership—For Health, Efficiency and Spiritual Development

By JOHN D. ROCKEFELLER, Jr.

Organization has its danger. Organized capital sometimes conducts itself in an unworthy manner, contrary to law and in disregard of the interest both of labor and the public. Such organizations cannot be too strongly condemned or too vigorously dealt with. Although they are the exception, such publicity is generally given to their unsocial acts that all organizations of capital, however rightly managed or broadly benificent, are thereby brought under suspicion.

Likewise it sometimes happens that organizations of labor are conducted without just regard for the rights of the employer or the public and methods and practices adopted which, because unworthy or unlawful, are deserving of public censure. Such organizations of labor bring discredit and suspicion upon other organizations which are legitimate and useful, just as is the case with improper organizations of capital, and they should be similarly dealt with.

We should not, however, allow the occasional failure in the working of the principle of the organization of labor to prejudice us against the principle itself, for the principle is fundamentally sound. In the further development of the organization of labor and of large business, the public interest as well as the interest of labor and capital alike will be best advanced by whatever stimulates every man to do the best work of which he is capable.

While labor unions have secured for labor in general many advantages in hours, wages and standards of working conditions, a large proportion of the workers of the country are outside of these organizations and are to that extent not in a position to bargain collectively. Therefore an adequate plan of representation for labor must be more comprehensive and all inclusive than the labor union as now organized

On the employers' side representation has been developed through the establishment of trade organizations, the purpose of which is to discuss matters of common interest and to act in so far as is legally permissible and to the common advantage, along lines that are generally similar. It will be a nice problem to determine just how labor organizations and employers' associations can work together, but certain it is that some method should be worked out which will profit to the fullest extent, by the experience, the strength and the leadership of these groups.

Wouldn't It Help Industry?

Might not the parties to industry subscribe to an industrial creed somewhat as follows:

1. I believe that labor and capital are partners, not enemies; that their interests are common interests, not opposed, and that neither can attain the fullest measure of prosperity at the expense of the other, but only in association with the other.

2. I believe that the community is an essential party to industry, and that it should have adequate representation with the other parties.

3. I believe that the purpose of industry is quite as much to advance social well-being as material well-being and that in the pursuit of that purpose the interests of the community should be carefully considered, the well-being of the employees as respects living and working conditions should be fully guarded, management should be adequately recognized and capital should be justly compensated and that failure in any of these particulars means loss to all four.

4. I believe that every man is entitled to an opportunity to earn a living, to fair wages, to reasonable hours of work and proper working conditions, to a decent home, to the opportunity to play, to learn, to worship and to love, as well as to toil, and that the responsibility rests as heavily upon industry as upon government or society, to see that these conditions and opportunities prevail.

5. I believe that industry, efficiency and initiative, wherever found, should be encouraged and adequately rewarded and that indolence, indifference and restriction of production should be discountenanced.

6. I believe that the provision of adequate means for uncovering grievances and promptly adjusting them, is of fundamental importance to the successful conduct of industry.

7. I believe that the most potent measure in bringing about industrial harmony and prosperity is adequate representation of the parties in interest; that existing forms of representation should be carefully studied and availed of in so far as they may be found to have merit and are adaptable to the peculiar conditions in the various industries.

8. I believe that the most effective structure of representation is that which is built from the bottom up, which includes all employees, and, starting with the election of representatives in each industrial plant, the formation of joint works committees, of joint district councils and annual joint conferences of all the parties in interest in a single industrial corporation, can be extended to include all plants in the same industry, all industries in a community, in a nation and in the various nations.

9. I believe that the application of right principles never fails to effect right relations; that the letter killeth and the spirit maketh alive; that forms are wholly secondary, while attitude and spirit are all important, and that only as the parties in industry are animated by the spirit of fair play, justice to all and brotherhood, will any plans which they may mutually work out succeed.

10. I believe that that man renders the greatest social service who so co-operates in the organization of industry as to afford to the largest number of men the greatest opportunity for self-development and the enjoyment by every man of those benefits which his own work adds to the wealth of civilization.

In the days when kings and queens reigned over their subjects, the gratification of the desires of those in high places was regarded as of supreme moment, but in these days the selfish pursuit of personal ends at the expense of the group can and will no longer be tolerated.

Men are rapidly coming to see that human life is of infinitely greater value than material wealth, that the health happiness and well-being of the individual, however humble, is not to be sacrificed to the selfish aggrandizement of the more fortunate or more powerful.

The Man Behind the Wage

Modern thought is placing less emphasis on material considerations. It is recognizing that the basis of national progress, whether industrial or social, is the health, efficiency and spiritual development of the people. Never has there been a more profound belief in human life than today. Whether men work with brain or brawn, they are human beings, with the same cravings, the same aspirations, the same hatreds, the same capacity for suffering and for enjoyment.

As the leaders of industry face this period of reconstruction, what will their attitude be? Will it be that of the standpatters, who take no account of the exraordinary changes which have come over the face of the civilized world and have taken place in the minds of men, who say: "What has been and is must continue to be—with our flag nailed to the mast, we will fight it out along the old lines or go down with the ship," who attempt stubbornly to resist the inevitable and, arming themselves to the teeth, invite open warfare with other parties in industry, the certain outcome of which will be financial loss, inconvenience and suffering to all, the development of bitterness and hatred, and in the end the bringing about through legislation, if not by force of conditions, far more drastic and radical than could now be amicably arrived at through mutual concession in friendly conferences?

Or will it be an attitude, in which I myself profoundly believe, which takes cognizance of the inherent right and justice of the principles underlying the new order, which recognizes that mighty changes are inevitable, many of them desirable, which, not waiting until forced to adopt new methods, takes the lead in calling together the parties in interest for a round-table conference to be held in a spirit of justice, fair play and brotherhood? Thus they can work out some plan for co-operation which will insure to all those concerned adequate representation, an opportunity to earn a fair wage under proper working and living conditions, with such restrictions as to hours as shall leave time not alone for food and sleep, but also for recreation and the development of the higher things of life.

CANADIANS IN BRITISH ELECTION

Successful Candidates Who Are Well Known in the Dominion

The "Canadian Gazette" (London), gives the following brief sketches of Canadians, Anglo-Canadians and others especially interested in Canada who were successful in the recent British Elections:

*SIR A. SHIRLEY BENN (Co.U.), Plymouth — Drake (maj., 10,923). Has intimate business and social connections with Canada; has made a mark for himself in the commercial aspects of parliamentary life.

*COMMANDER I. HAMILTON BENN (Co.U.), Greenwich (maj., 8,105). Also has intimate Canadian associations. Is one of the notably gallant figures in the war; especial fame attaches to him for his associations with the Zeebrugge and Ostend naval raids.

*MAJ. SIR E. COATES (Co.U.), returned unopposed for Lewisham (West). Is senior partner in the well-known Anglo-Canadian financial house of Coates, Son & Co.; represented the undivided borough of Lewisham for 16 years.

*SIR CHARLES HANSON (Co.U.), Cornwall—Bodmin (maj., 3,583). Won especial fame in the concluding year of the war by his successful tenancy of the position of Lord Mayor of London; is a partner in the financial house of Coates, Son & Co.

MR. PERCY HURD (Co.U.), Somerset—Frome (maj., 664 over Labor candidate; both the third candidate, who was the sitting member, Sir J. E. Barlow, and the fourth candidate, who was of the National Party, secured so small a poll as to forfeit their deposits). Has long been editor of the *Canadian Gazette*, and for many years London editor of the Montreal *Star* and associated papers throughout the Dominion; has been intimately connected with Canadian affairs in London from the age of 17, when he became secretary to Mr. James Rice, the well-known novelist, who was then London correspondent of the Toronto *Globe*.

*MR. BONAR LAW (Co.U.), Glasgow—Central (maj., 12,917). A New Brunswicker by birth who has won worldwide fame by his control of finance during the war and by his skilful leadership of the House of Commons.

Mr. L. LYON (Co.U.), Hastings (maj., 7,654). Born in Toronto; is the proprietor of the London weekly, the *Outlook*.

* DR. T. J. MACNAMARA (Col.L.), Camberwell—North-West (maj., 3,039). A native of Quebec; has been Financial Secretary of the Admiralty since 1915.

MR. IAN MALCOLM (Co.U.), Croydon—South (maj., 10,807). A Quebecer by birth, has done a great amount of excellent Red Cross work during the war; a member of mission which established the Anglo-Russian Hospital in Petrograd.

*MAJ. G. L. COURTHOPE (Co.U.), Sussex—Rye (map., 6,344). Is now Assistant Controller of Timber Suplies and chief liaison officer with the Canadian Forestry Corps.

*SIR AUCKLAND GEDDES (Co.U.), Hants—Basingstoke (maj., 4,941). President of the Local Government Board; is bringing to bear upon the problems of the new Health Minister much of the experience he gained when Professor of Anatomy at McGill University.

*SIR HAMAR GREENWOOD (Col.U.), Sunderland (maj., 1,948). One of the humorists of the House and one of the best platform speakers in the Liberal Party; throughout the war he has been a staunch advocate of the policy of "Thorough" on Coalition lines. Always a good friend of Canada in British public life.

*MR. DONALD MACMASTER, K.C., (Co.U.), Surrey—Chertsey (maj., 10,299). Became a Canadian K.C. in 1882, and in his time conducted many famous cases in Canada and before the Judicial Committee; sat in the Canadian House of Commons before coming to this country; has represented the old Chertsey division since 1910 with dignity and success and much public advantage.

MAJ. J. E. MOLSON (Col.U.), Lindsey—Gainsborough (maj., 2,078). Comes of a well-known family; at the beginning of the war volunteered for service and has been in charge of a military hospital in Egypt.

LT.-COL. GRANT MORDEN (Co.U.), Middlesex — Brentford and Uxbridge (maj., 6,457). Achieved one of the personal triumphs of the election, being returned by a huge majority despite much criticism of the British Cellulose and Chemical Manufacturing Company, now the subject of a special investigation.

COL. SIDNEY PEEL (Co.U.), Middlesex—Uxbridge (maj., 3,563). Served with his regiment in France till 1916; president of the Trust and Loan Company of Canada.

MR. A. W. SMITHERS (Co.U.), Kent—Chislehurst (maj., 5,807). One of the foremost men in the Anglo-Canadian community; chairman of the Grand Trunk Railway Company, and in the that capacity has been especially to the fore in recent months in the negotiations with the Canadian Government regarding the future of that road and the general question of Government ownership of railways. A welcome addition to the new Parliament.

MR. W. D. MITCHELL COTTS (Col.L.), Inverness and Ross and Cromarty—Western Isles, was defeated by the Liberal candidate by 390 votes. Merchant shipowner, is the sole partner of Dingwall, Cotts & Co., Vancouver.

*Denotes a member of the old Parliament.

INVESTMENT SITUATION IS COMPLICATED

Continued from page 1

from the more uncertain types of investment.

The supply of bonds is limited, due in turn to those economies of administration which have become a habit of municipalities during the war period, and, because of this scarcity prices have been advancing quite sharply. There is no immediate prospect of a greatly increased supply, so that the bond market will doubtless continue to exhibit strength for some time to come.

In the general stock markets there is very little activity at present. The public are chary of entrusting their funds to industrial or public service corporations because of the uncertainty of the outlook. Bank stocks are in a somewhat different class and have been in some request, but generally speaking the markets have been dull and, until such time as confidence in the solidarity of the business fabric is restored there will not likely be much movement in stocks. At the same time it must be recognized that, relatively, stocks are cheap, and, while there may be some recessions in price the likelihood is that, as money works easier, values will be marked up.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

INCOME TAX

H. E. P., Quebec—In THE FINANCIAL POST of December 21, 1918, you stated that, in the case of dividends on the stock of Canadian corporations, the recipients of the dividends are exempt, etc. . . . I understand this is for common stocks,—now, what about dividends on preferred stocks and specially dividends on non-cumulative preferred stocks like Canadian Cottons, 6 per cent. preferred?

No distinction is drawn in the act as to the kind of dividend paid and dividends on the preferred stocks of companies, which are themselves subject to the tax, are exempt, just as much as dividends on common stocks. Cumulative and non-cumulative dividends are on an equivalent basis so far as the exemption is concerned.

PRESTON EAST DOME

E. B. S., Ottawa—Will you kindly advise me regarding Preston East Dome stock? I want to sell out but would I be better advised to wait before doing so, or had I better sell now?

With regards to Preston East Dome stock, we believe that you would be better advised to hold your stock, rather than sell out at the present extremely low price. Preston East Dome's property lies in the angle between Dome Mines and Dome Extension and borders on both properties. It is thus in a very promising neighborhood and, while at the present time, the mine is closed down tight, there is no telling some development may not occur which will occasion a demand for the stock. In fact, it would not be surprising to find that Dome Mines or some other large corporation would some day make an effort to acquire the property. The president of Preston East Dome Company is Lt.-Col. D. M. Robertson, a well-known Toronto financier, and associated with him on the board are several directors of responsible character, who profess faith in the future of the mines.

As you are aware, gold mining has been conducted under many handicaps during the past two or three years. The corner has now been turned and we anticipate important developments during the next year or so. If Preston East Dome has the ore, it will be only a matter of time until some steps are taken to develop the property and we believe it is worth waiting to see what transpires.

HOLLINGER AND DOME

E. G. M., Ontario—Please advise your opinion regarding Hollinger Mines as an investment and Dome Mines as a speculation. Please also advise the respective capitalization of each of these and par value of stock.

We regard all mining stocks as more or less speculative in character but among the gold stocks of Northern Ontario, we would place Hollinger in a foremost position as a reasonably assured dividend payer. Last year Hollinger earned profits of about $3,000,000 or 12 per cent on the outstanding stock. If present plans for increasing the output materialize, it should earn this year from 20 to 24 per cent. If this is accomplished, there is every reason to expect that the dividend will be restored to the 13 per cent. rate. Hollinger has an outstanding capital of $24,600,000 issued in 4,920.000 shares of $5.00 each.

Dome Mines we regard as an attractive speculation. As you are aware, this company has not been producing gold for some time back, chiefly on account of shortage of labor and high costs of operation. With a return to more normal conditions, it should be possible to resume operating the big mill soon and once again start the production of gold. The mine has immense ore reserves and its stock has sold as high as $30 a share. Its capital consists of 400,000 shares of $10 each, or $4,000,000 in all.

TWIN AND DULUTH

———. I hold 100 shares of Twin City common costing me 90 and 50 shares of Duluth-Superior Traction costing me 65. From the information you have would you advise selling at present low prices or would it be advisable to buy more at present low level with the expectation of averaging up later? From any information you have would you consider Nova Scotia Steel & Coal & Steamships preferred fair investments at present levels?

Twin City and Duluth-Superior have, in common with other public utility corporations, and particularly street railways, suffered from the conditions which have accompanied the war. Now that the war is over there would appear to be ground for the opinion that the worst has probably been passed. The outlook is, of course, uncertain because public opinion in relation to the operation of such corporations must be taken into consideration, but we would incline to the opinion that it is hardly a time to sell such securities. It is hard to conceive that conditions for these companies will be much worse than they have been. Operating costs should now rather decrease than increase. Much will, of course, depend upon the public attitude towards such projects and the situation in this connection is very uncertain. However, there are some evidences that in the United States a more rational attitude is being taken towards public service corporations in recognizing that they must be allowed a living income in order to continue their business. There is, of course, no way of definitely gauging the future, particularly in such unsettled times, but it is not usually a good time to sell stocks when they are unpopular.

As to purchasing more of these stocks we should advise you to consider such a proposal entirely on the same merit. That is, we do not think the evening up process should be at all considered. These stocks to-day have speculative attractions because the price has been hammered down owing to abnormal conditions. A buy should depend not on a desire to even up but whether or not you desire to take on large holdings of this character. This should be considered in relation to your total investments in deciding whether during an unsettled period you are in a position to speculate.

As regards Nova Scotia Steel and Coal and Canada Steamships preferred we regard both as very satisfactory. The steel industry must undergo a readjustment and there is considerable uncertainty as regards the immediate future but the company is in a strong position and the financing and management are in good hands. We do not think that the preferred should very seriously feel a falling off in business owing to cessation of war demands while the future seems to hold promise for the steel industry generally. As regards Canada Steamships the future is also uncertain but with the present loss of producing tonnage we do not see that there can be any serious readjustment in ocean freight rates for some time. From the standpoint of back value the present market for Steamships appears to be below the level and for this the explanation is offered that the stock is not well distributed.

With regard to the investment situation generally in relation to industrial, utilities and transportation stocks the great factor to-day is the spirit of social unrest which is so general throughout the country. If we are able to adjust relations between capital and labor without serious disruption there should be a general advance in the present prices of securities but if labor troubles should become general the effect on earnings will undoubtedly be serious. Only this issue can bring an answer to this question.

HIGH-GRADE BONDS

W. H. H., Niagara Falls—I own City of Toronto debentures due 1925. Will you be kind enough to give me a list of several high grade bonds of longer maturity for which it might be desirable for me to exchange, and which might also afford a little higher return with safety?

It would be somewhat difficult to supply such a list as you require for the reason that, under present market conditions, such new issues as come on the market are being absorbed as quickly as they are offered. The bond market in Canada was never so bare of issues.

Since the first of the year the important offerings have been: Quebec Province, 4½s, due 1916; Province of Alberta, 6s, due 1939, and Grand Trunk Pacific Railway, 4s (guaranteed by the Dominion), due 1962. All these issues were snapped up within a few hours of their appearance on the market. There are occasional offerings of sterling bonds, blocks of which are being brought back from the English market, as, for instance, last week an issue of Saskatchewan bonds, maturing 1934, and offered to yield 5¾ per cent. But these, too, are disposed of rapidly and a list of to-day's offerings might be useless to-morrow.

Our advice would be for you to get in touch with some one of the Canadian bond houses—you will find names and addresses of several first-class firms in our advertising columns—and explain your requirements, asking them to keep you posted on bonds available. There will be frequent new issues and also occasional blocks of older issues coming on the market, from which you might choose a desirable bond. Under the circumstances this would appear to us to be the best way to effect your purpose.

PANAMA BONDS

T. LeB., Barachois, Que.—Can you give me any information regarding Panama bonds as sold by the Provident Financial Association, Montreal. Are these worth anything in dollars and cents, or merely works of art?

These bonds have a value ranging all the way from $19 to $50,000. The position is a peculiar one from the standpoint of ordinary Canadian or United States bonds, but a fairly familiar one in France. These bonds were issued for development of the Panama Canal, but when this went under, the French Government, to save the investors. continued to proby 1987, or 99 years from the time of by 1987, or 99 years from the time of issue (1888). Some 25,000,000 is out at interest, and a certain number of the bonds are retired on the proceeds every three months. One fortunate number receives 250,000 francs; another 100,000 francs, and so on; a number, 1,000, and the majority, 400 francs, or about 75c-80c each. At the rate these are being retired, no one will require to wait beyond 1950.

Sales have been made in Canada from $19 to $30. Yours may be called in at 400 francs any time; or you may have to wait for years. If you want an immediate market we would suggest your writing the Provident Financial Association for a bid.

MINING STOCKS

H. P., Hull—I have shares in Newray and Hargraves. Do you think there will be dividends on these later?

We fear that we cannot offer much encouragement regarding these issues. Newray is at present under option, but we understand that no work is being done on it. It is possible that some time in the future enough money may be spent on it to prove it up and as it lies in the line of Hollinger and McIntyre, it should contain ore. However, at the present time it is in an unpromising condition. Hargraves has now been closed down for some time. It, too, is unpromising. It had all the indications of being a very rich mine, but results so far have been disappointing. We are told that there are still some people who nurse hopes that it may ultimately develop into a profitable mine, but there is so much uncertainty that we would not care to make any predictions.

TOWN DEBENTURES

Clerk, Ontario Town.—"This town is considering an issue of 20-year debentures. Before making the issue, we would like to learn what your opinion is as to the kind of bond it would be advisable for us to issue to secure the best price. Would it be more advantageous to issue instalment bonds or sinking fund bonds?"

We believe that it would be more to the advantage of your town in the long run to issue instalment bonds. It is quite true that the average investor prefers a sinking fund bond, for the reason that it is issued in an even amount, say $500 or $1,000, and it is just possible that you might obtain a slightly better price for your issue, were you to put it out on the sinking fund plan.

Against this, however, you must place this important consideration—over the term of years, it is doubtful whether your sinking fund would earn much more than 4 per cent., whereas you would probably be paying your bondholders anywhere from 5½ per cent. to 6 per cent. The slight gain in the price of flotation would thus be much more than offset by the loss on sinking fund earnings. On the other hand, by issuing instalment bonds, you clean up as you go along and this, we believe, is a good thing in itself, for it does away with the anxiety always attaching to sinking fund administration.

There are a good many aspects of the case dependent on details of issue, such as denominations of bonds, their term, their interest rate, frequency of interest payment, etc., but generally speaking, with the two types of bonds on as nearly an equal basis as possible, we think the instalment bond is the more advantageous. This is the bond that is almost universally issued by Canadian municipalities to-day and, with the market so bare of issue, you should be able to effect a favorable sale.

UNLISTED BONDS AND STOCKS

The latest quotations on any unlisted security furnished free on request. We specialize in unlisted bonds and stocks, and will be pleased to furnish free quotations, bids or offerings.

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As Others See It

CANADA'S FUTURE DEPENDS ON VICTORY OVER FREE TRADE

Toronto *Telegram.*

If Canada could be made a paradise for the farmer by tearing down every Canadian factory, every Canadian factory should be torn down in order to prosper agriculture — the basic industry of the nation.

All history teaches that agricultural labor achieves its highest prosperity in association with industrial labor. Protection has to struggle against the stupidity of the Canadian Manufacturers' Association and the greater stupidity of the "Globe-Star" section of the Union Government membership and following. But protection is right, despite the advocacy of THE FINANCIAL POST, and free trade is wrong despite the advocacy of the Toronto "Globe" and "Star."

Free trade will reduce Canada to the status of an exporter of raw materials and a residental community of retired farmers. When protection is destroyed and free trade has completed the ruin of Canada's industrial life the present race of retired farmers will die off and Canadian agriculture will cease to yield profits that will permit any more farmers to retire.

Free trade fanaticism is the enemy at the gates of Canada's prosperity in peace not less truly than the Hun was the enemy at the gates of Canada's liberty in war.

CURRENT OPINION

Under this heading are published, for the information of our readers, the views of leading newspapers and individuals.

Their reproduction does not imply their endorsement. On the contrary, the investigations of THE POST'S editors often lead to entirely different conclusions from those quoted below.

A SPORTING OFFER

"London *Advertiser*"

If money talks Sir Adam Beck has a chance to make himself audible at the present time. He may meet in the lists of verbal conflict no less doughty a knight than Sir Herbert Holt, and the stakes will be $10,000 for some worthy charitable institution.

Recently, with that freedom of speech which he regards as his peculiar right and denies to others when possible, Sir Adam condemned as false certain statements made by Sir Herbert as to the respective costs of electric power in Montreal and Toronto. The latter claimed that the rate of the private company in the Quebec metropolis was lower than that of the hydro-electric service in Toronto.

Sir Herbert Holt comes back with a sporting proposition which should appeal to Sir Adam, to the effect that both sides put up a certified cheque for $10,000, and that the decision as to which rate is the lowest, according to the last published reports, be left to a board of electrical engineers to be chosen by the Engineering Institute of Canada.

Here is a proposal that should come with a thrill to the sporting blood of such a hard-riding knight os Sir Adam. Think of the opportunities of securing a good-sized slice of the filthy lucre of a private company and of showing up Sir Herbert Holt's Company as a great malefactor which could not possibly sell power as cheaply as Sir Adam's plants! And besides Sir Herbert has no Niagara Falls from which to generate an unlimited supply of energy. Surely this is an opportunity heaven-sent for Ontario's power baron to rout the forces of iniquitous private control.

And yet one wonders whether Sir Adam will accept the defiance. He will probably say that the Engineering Institute is itself a creature of "the interests" and not to be trusted as a referee.

TALK ABOUT BILLIONS

Pacific Banker

In the excitement of their election, British politicians have talked of billions as though they could be toyed with by the fingers or grasped by walking around and viewing them from all sides A claim is put forward for an indemnity from Germany of almost thirty-nine billions, while France wants a little matter debt.

The cost of the war is estimated at about $175,000,000,000, and the Central Powers' share at $65,000,000,000, leaving of sixty-eight billions. In view of the fact that all of Germany was worth only about eighty billions in 1914 and that it has become poorer since, there is ground to suspect that the politicians have been tickling the ears of the British workmen with the prospect that they will not have to pay the British war about $110,000,000,000 for the Allies, to which must be added great claims for reparation, including those of neutrals for sunken ships and cargoes. It cannot be paid in gold, for there is not nearly that amount of gold in the world. The German Reichsbank has only $577,000,000, and the Austrian bank about $52,000,000. If it is to be paid in interest-bearing bonds, who is to buy the bonds or are the Allied governments to accept them and collect the interest? Or is it to be paid in trade? That would involve dumping vast quantities of German goods on Allied markets every year. The British workman would not tolerate that, just when his industries are being reconstructed to give him a job. Possibly a scheme wil be devised to compel Germany to pay the debt in annual instalments after it has been scaled down to her capacity to pay, or the Allies may impose an extra tariff on German imports, to be applied on the debt. One thing is certain. The Allies will not let Germany escape scot free and carry the load themselves. They will find some way to make the enemy pay the limit of his capacity.

PEACE AT HOME ESSENTIAL TO PROSPERITY

James Speyer, head of the international banking house of Speyer & Co., believes that internal peace—a satisfactory agreement between capital and labor—is essential to world prosperity and should be arranged by the Peace Conference.

Writing on this subject in "Forbes Magazine," he says:

"We are grateful that the war has come to an end. The New Year seems to promise a period of peace abroad. It will depend, however, on the vision and wisdom of the statesmen at present in charge of their nations' destinies whether this era of peace abroad is going to be of long duration, or whether the old national ambitions and rivalries—political, economic and commercial—will lead to a repetition of the history of the past, namely, alliances and balances of power, finally ending in bloody strife and misery.

"The people of all nations want to be relieved of the burden of armaments, and feel that their own individual welfare is bound up with the realization of our President's humanitarian aims, so that this war, which has been won, will bring them one of the most important fruits of victory—to end wars, as far as this may be humanly possible.

"It has come to be recognized that the price of labor (wages) is not regulated solely by supply and demand. Labor is performed by men and women who, as living human beings, are entitled to consideration outside of 'supply and demand' if the well-being of the nation is to be advanced. Of course, in this age of keen international competition in industry, it will be difficult for any one country to set up a higher standard of living and maintain it permanently by itself.

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SUMMARY OF 1918 ACHIEVEMENTS

NEW ASSURANCES	
Assurances Issued and Reinstated -	$19,135,750.00
Increase over 1917 - -	2,650,347.00
BUSINESS IN FORCE	
Business in Force, December 31, 1918 -	108,572,703.00
Increase over 1917 - -	10,444,072.00
INCOME	
Cash Income,—Premiums, Interest, etc.	5,831,190.74
Increase over 1917 - -	722,180.11
ASSETS	
Assets at December 31st, 1918 - -	26,748,392.95
Increase over 1917 - -	2,162,609.08
PROFITS ALLOTTED TO POLICYHOLDERS	
Profits set aside for Policyholders, Payable in 1919 - - - - -	487,410.00
Increase over 1918 - -	129,927.00
SURPLUS	
Total Surplus over all Liabilities and Capital, according to Company's Standard	2,502,293.50
Surplus on Basis of Insurance Act -	3,868,745.50
Increase over 1917 - -	198,155.96

GROWTH DURING PERIOD OF THE WAR

YEAR	BUSINESS IN FORCE	ASSETS	SURPLUS
1913	$ 80,619,888.00	$17,540,387.21	$1,470,857.73
1918	108,572,703.00	26,748,392.95	2,502,293.50

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Business Building Books

ANY one or all three of the books mentioned below would prove a profitable addition to a well-built business library. All are authoritative.

INFLUENCING MEN IN BUSINESS

By Walter Dill Scott, Ph.D., Director, Bureau of Salesmanship Research, Carnegie Institute of Technology, Director, Psychological Laboratory, Northwestern University. 3rd printing, 1917. 168 pages. 5 x 7¾. Cloth binding only. $1.50.

"Influencing Men in Business" shows how to develop the ability to influence men by mastering a few simple laws for influencing their minds.

EFFECTIVE BUSINESS LETTERS

By Edward H. Gardner, Assistant Professor of English, University of Wisconsin. Second edition. 8th printing, 1918. 420 pages. 5¼ x 7½. Cloth binding only. $2.00.

The great difference between "Effective Business Letters" and other books on this subject is that this book not only gives examples of effective letters, but it shows just how to write them, from making a single sentence as strong as possible to co-ordinating the entire letter into one strong and effective statement.

GETTING THE MOST OUT OF BUSINESS

By E. St. Elmo Lewis. Second Edition. 3rd printing, 1917. 483 pages. 6 x 8¾. Cloth binding only. $2.50.

Every page of this book makes a man stop and think. Mr. Lewis has been for years one of the representative figures among American business men—in close touch with the policies and methods of concerns like the Burroughs Adding Machine Company, the National Cash Register Company, the Art Metal Construction Company, etc., holding positions from Vice-President and General Manager down.

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NEWS AND VIEWS FOR BANKERS

NEVER PAY OUT MONEY TO A MAN YOU DO NOT KNOW

The Moral of the Career of a Smooth Check Forger

HOW HE WAS CAUGHT

Bank Manager Became Suspicious of Signature Because of a Peculiar M—"Accepted" Stamp No Guarantee

A Montreal newspaper in a small item this week recorded the arrest of a man just as he was about to leave on a C. P. R. train for Ottawa. The charge was one of forgeries to the extent of $1,450. He is said to have victimized one of the leading brokerage firms of Montreal out of a Victory bond for $1,000; on a forged cheque; to have taken this bond to another well known brokerage house and sold it, receiving in return a cheque for $1,000; to have then proceeded to a bank with this cheque; to have been refused the money without identification there; to have secured a member of brokerage firm No. 2 to come and identify him at another bank as the one to whom the cheque was made out; to have signed the cheque with a curious "M" that was referred to in a circular accompanying a warning sent out recently by the Canadian Bankers' Association,—and then the smooth sailing of one of the smoothest crooks in the business became a little ruffled. The brokerage firm learned that the cheque they had cashed with a Victory bond for $1,000 was a bogus one, and the suspicions of the bank manager at the resemblance of the peculiar letter "M" being aroused at the same time; the express company that had been victimized last was notified; the police meanwhile set to work on another warning and the man was discovered and placed under arrest. Next week his case comes up for enquete.

It is believed that this incident will end the career of one of the smoothest crooks that ever victimized Canadian banks. Incidentally the case will be made use of by the banks to make even more stringent the rule against paying out money on a cheque made to the "order" of any party without a satisfactory identification of the holder of the cheque. As a bank manager expressed it in discussing this case with me this week, "It simply means that all the banks will have to enforce more rigidly than ever before the maxim. 'Never pay money to an unknown man.'"

Successful Crookedness

The success of this crook in fleecing banks all over the country, coming back again and again to the cities where he had operated before with cool abandon, has suggested that some of the existing methods of banking may have to be altered somewhat in order to make such operations impopssible. Several bank managers, however, in talking over the case maintain that the best protection is to make sure that some responsible party vouches that he is "all right."

If this had been done, as a means of precaution, it is claimed, this crook would not have been able to accumulate the following record in the past year or so:

> Passing forged, accepted cheques on three banks in Montreal, and on the same day passing a forged cheque without acceptance stamp on a fourth bank in Montreal.
>
> And to show that Toronto bank men could be outwitted just as readily as the Montreal, within three weeks he cashed a cheque for $450 on a bank in Toronto, using the name "T. M. Taylor." Two days later he passed an "accepted" cheque at an express office in Port Hope for $350.
>
> A little later he obtained $500 from another express company in Montreal, on a bogus cheque drawn in the name of "T. Martin," on a Montreal bank.
>
> Later on he passed a bogus cheque for $575 on a prominent Montreal firm drawn in the name of "J. M. Lane" on a branch of a bank at Cobalt.
>
> Shortly afterwards he victimized two prominent firms in Toronto and a hotel company in Toronto with accepted, bogus cheques, all of these being drawn on a Paris, Ont., branch of one of the banks.
>
> And the Montreal $1,000 experience with a broker, and others, with a housefurnishing house and a bookstore, are the latest additions to the list.

The Bankers' Association place some credence in the suspicion of the express company victimized in Montreal, that the man may be a former bank employee, on account of his familiarity with banking operations.

'Accepted' Not a Guarantee

This strange case wipes out all confidence that may be reposed in the "Accepted" stamp of a bank, a credential that served with many paying tellers in the past. Warning should be issued against faith in this in the future. The Toronto office of an express company, paid out five $100 traveler's cheques in return for a nice, genuine-looking cheque that this smooth operator presented, "Accepted" according to the Rubber Stamp of a Paris, Ont., bank. It was typewritten, Pay to the order of J. M. Smith, Five Hundred Dollars, and there was the Savings Department Account No. "1375," looking so genuine, and J. M. Smith's name at the bottom. This cheque came to Toronto. The perforation showed through all right, "not exceeding $1,000," J. M. Smith" signed it; the express company stamped it payable to their own bank; it was cleared out of this bank five days after the date on the face and reached Paris the following day, was stamped—and discovered to be a fake. No such man was on their books.

Any crook may have a rubber stamp made with the words "Accepted" and the name of the bank, the date, etc. This is no longer any guarantee of genuineness.

A Manager's Advice

Let us return to the manager of a downtown branch in a large Canadian city who confesses to have been fooled himself. This is his advice: "Be on your guard against every stranger. Make him prove he's genuine before you trust him. Even if a man wants to pay down cash to make a deposit in my bank, I want to know something about him. If he cannot satisfy me that he is all right, then I feel at once that he is up to some game. Suppose he had $5,000 to deposit, opening an account. I would ask him where he lived, and what his bank connections were. If he told me a certain bank in Buffalo, I would accept the $5,000, and write the bank. If they said they did not know him, I would inform him, and object to his becoming a depositor. Or if we did accept him, I would warn the staff against cashing any cheque that he brought in except against his own account.

"It is very seldom that we would offend any innocent party by this method. In the case of a mechanic, for instance, who wished to open an account, he would give an address in the city, and we could easily make inquiries. But here is a man who comes with a large sum of money, either in the form of a cheque or cash, and wants to open an account. Surely he should satisfy us as to his identity, and provide credentials. If any business man were going down to New York to do business that required banking, the first thing he would do would be to go to his bank and get a letter of introduction to some bank in New York, and present this when he went down. Beware the stranger.

"In very few cases an introduction by a responsible party leaves the way open to a crooked deal like this man pulled off. Suppose a friend of mine came to me and said that he knew the man; if I had any further suspicion that all was not right, it would be an easy thing for me to call him aside and ask him in private if he knew this man well. If he did not, I might suggest that he endorse the cheque; if he, knowing the stranger, refused to do so, why should the bank take the risk?

"Never pay out money to a man you do not know."—J.W.T.

EXCHANGE

The market for New York funds has broadened out this week. More funds have been on offer, but at every recession buying power sufficient to maintain the price has developed. The rate up to yesterday remained at or above 2 per cent.

Jan. 31—2 1-16 to the buyer throughout.

Feb. 1—2 1-16 to the buyer.

Feb. 3—2 3-64 to the buyer.

Feb. 4—Opened 2 1-32 to the buyer, fell to 2 to the seller, and closed there.

Feb. 5—Opened 2 to the buyer, advanced to 2 1-32 to the buyer, and closed 2 1-32 to the seller.

Feb. 6—Opened 2 1-32 to the buyer and declined to 2 to the buyer.

Feb. 7—Opened at 2 to the buyer and eased to 1 31-32 to the buyer.

Demand sterling opened the week at 2.75¾, advanced to 2.7580 and closed at 2.75 13-16. Cables have held fairly steady at 2.76 9-16.

Francs opened at 5.45¾ and 5.45⅛ for demand and cables respectively, and closed at 5.45⅝ and 5.45.

BANK OF ENGLAND

London, Feb. 6—The weekly statement of the Bank of England shows the following changes:

Total reserve, increased	£ 69,000
Circulation, increased	646,000
Bullion, increased	706,254
Other securities, increased	3,033,000
Public deposits, increased	4,108,000
Other deposits, decreased	6,121,000
Govt. securities, decreased	5,054,000
Notes reserve, decreased	19,000

The proportion of the bank's reserve to liability this week is 20.45 per cent.; last week it was 20.13 per cent.

Rate of discount, 5 per cent.

ONLY 4 CITIES SHOW LOWER RETURNS

Sherbrooke Reports the Largest Percentage Gain—Gain For Dominion is 20.3%

For the week ending Thursday last returns to THE FINANCIAL POST of bank clearings indicate a gain over the figures for the corresponding period in 1918 of $43,338,568, or 20.3 per cent. Eastern cities with a total of $196,639,275 show a gain of $45,020,866 while Western cities with clearings totalling $59,944,570 show a falling off of $1,682,298. Four cities show lower returns. Montreal with clearings amounting to $94,743,387, shows a gain of $21,927,473, or 30.1 per cent., and Toronto with a total of $70,412,545 is higher by $16,846,417, or 31.4 per cent. Winnipeg shows a falling off of $5,087,784, or 12.8 per cent., while the city to show the largest percentage increase is Sherbrooke. Following are comparative figures:

WEEKLY BANK CLEARINGS
(In comparison with same week last year)

Eastern Cities

	Feb. 6,1919	Change	%
Montreal	$ 94,743,387 +	$21,927,473	30.1
Toronto	70,412,545 +	16,846,417	31.4
Ottawa	7,731,207 +	2,115,292	37.7
Hamilton	5,455,835 +	795,013	17.9
Quebec	4,959,236 +	763,285	18.2
Halifax	5,052,443 +	1,124,231	28.6
London	3,275,758 +	902,115	38.0
St. John	2,496,342 +	263,605	11.8
Brantford	862,323 +	16,538	1.9
Peterboro	638,278—	48,310	7.1
Sherbrooke	1,011,921 +	315,207	45.6
Total, East	$196,639,275 +	$45,020,866	29.7
Windsor	1,212,124		

Western Cities

	Feb. 6,1919	Change	%
Winnipeg	$ 34,589,292—	$ 5,087,784	12.8
Vancouver	11,123,919 +	2,302,554	26.1
Edmonton	3,233,123 +	314,456	10.8
Victoria	2,114,600 +	243,452	13.0
Regina	3,030,157 +	198,859	7.0
Saskatoon	1,738,217 +	247,729	16.6
Moose Jaw	1,309,853 +	172,238	15.2
Ft. William	771,784 +	71,900	10.4
Brandon	501,863—	45,802	8.4
Lethbridge	693,608 +	25,820	3.9
N. Westminster	503,109 +	102,916	25.7
Medicine Hat	330,045—	228,636	40.9
Total, West	$ 59,944,570—	$ 1,682,298	2.7
Grand Total	$ 256,583,845 +	$43,338,568	20.3
Yr. to date	$1,419,821,460 +	218,369,217	18.1
Prince Albert	343,941		

MONTHLY BANK CLEARINGS
(In comparison with same month last year)

Eastern Cities

	Jan., 1919	Change	%
Montreal	$ 428,538,998 +	$84,613,440	24.6
Toronto	313,656,977 +	54,185,978	20.8
Ottawa	30,007,639 +	4,479,339	17.5
Hamilton	22,321,457 +	1,092,948	5.1
Quebec	20,940,743 +	4,208,058	25.1
Halifax	20,054,921 +	4,742,961	30.9
London	12,354,748 +	1,847,992	17.5
St. John	11,832,802 +	2,335,392	24.6
Brantford	4,234,546 +	610,694	16.8
Peterboro	3,360,823 +	254,032	8.1
Sherbrooke	3,601,346 +	510,118	16.5
Kitchener	2,964,342 +	645,449	27.9
Total, East	$873,869,342 +	159,526,401	22.3
Windsor	5,367,278		

Western Cities

	Jan., 1919	Change	%
Winnipeg	$ 180,092,160 +	$ 3,552,914	2.0
Vancouver	45,750,031 +	7,575,860	19.8
Edmonton	15,962,846 +	727,379	4.7
Victoria	9,004,892 +	1,486,547	19.7
Regina	14,289,482 +	343,067	2.4
Saskatoon	7,680,804 +	378,515	5.1
Moose Jaw	7,078,228 +	1,895,368	36.5
Ft. William	3,104,565—	324,997	9.5
Brandon	2,547,057—	128,458	4.8
N. Westminster	2,144,195 +	439,580	25.8
Medicine Hat	1,714,013—	441,527	20.5
Total, West	$289,368,273 +	$15,504,248	5.6
Grand Total	$1,163,237,615 +	175,030,649	17.7

A HUNDRED NEW BANK BRANCHES

Development of Banking Facilities Was Continued During January

As indicated by returns made to the FINANCIAL POST the Canadian chartered banks opened 102 new branches during the month of January and closed 3. This compares with a total of 145 branches opened during December and 6 branches closed. Of the new branches the Merchants and Commerce opened 18 each, while the Union opened 14, Royal 10, Toronto 9, Nationale 7, Hochelaga 6, Home and Nova Scotia 4 each, Hamilton and Ottawa 3 each, and the Provinciale, Standard and Sterling 1 each, and Montreal 3. The Merchants and Nova Scotia closed a branch each while the Montreal closed a branch of the Bank of B.N.A., in Ontario. Following is a list showing the number of branches opened and closed in the different provinces:

Opened

Merchants—4 Ont., 2 Man., 7 Sask., 5 Alta.
Commerce—6 Sask., 5 Nova Scotia, 3 Ont., 2 Que., 1 P.E.I., 1 New Zealand.
Union—5 Sask., 4 Ont., 3 Man., 2 Alta.
Royal—3 Sask., 2 Alta., 1 Ont., 1 Nova Scotia, 1 P.E.I., 1 Man., 1 B.C.
Toronto—6 Sask., 2 Alta., 1 Man.
Nationale—7 Que.
Hochelaga—5 Que., 1 Sask.
Home—4 Ont.
Nova Scotia—2 Ont., 1 Nova Scotia, 1 P.E.I.
Montreal—2 Sask., 1 Ont.
Hamilton—1 Man., 1 Sask., 1 B.C.
Ottawa—2 Ont., 1 Man.
Standard—1 Alta.
Sterling—1 Ont.
Provinciale—1 Que.

Closed

Merchants—1 Ont.
Nova Scotia—1 New Brunswick.
Montreal—1 Ont. (Bank of B.N.A.).

DOMINION

The Dominion Bank announce the opening of a branch at Fairbank, Ont.

MOLSONS

At the meeting of directors of the Molsons Bank held recently it was announced that E. J. Chamberlain had resigned from the board of Directors and that J. W. Ross was elected to fill the vacancy. Mr. Chamberlin is in California, where he intends staying for some time, and it is understood that he is resigning all his Canadian duties.

D. Gilbertson, of the Lucknow branch of the Molsons Bank, has been transferred to the branch at Meaford as accountant.

IMPERIAL

S. W. Moore, of Albion, has been appointed manager of the new branch of the Imperial Bank at Kirkland Lake. Mr. Moore recently returned from the front.

PROVINCIAL

The Banque Provincial de Canada has increased its paid-up capital from $1,000,000 to $2,000,000 and also increased its dividend rate from 7 to 8 per cent. per annum.

ROYAL

The Royal Bank of Canada announces the following important staff changes: N. T. Hillary, former general inspector at head office, Montreal, becomes assistant supervisor, Toronto; S. G. Dobson, formerly assistant supervisor, Winnipeg, becomes general inspector at head office, Montreal, with supervision over Canadian business; and S. L. Cork, formerly of supervisor's department, Toronto, becomes assistant supervisor, Winnipeg.

J. O. Otterbein, who for three years was manager of the Northern Crown Bank at Woodstock, and who has lately been relieving in different branches of the Royal Bank, has been appointed manager of the branch at Thamesford, and succeeds R. F. Montgomery, who after eight years of service at Thamesford has been transferred to the branch at Norwich.

W.A. Steedman, formerly on the staff of the Royal Bank at Seeley's Bay, Ont., and lately discharged from the Royal Air Force, has been appointed teller of the branch at Cupar, Sask.

W. Lloyd Johnson, who has been teller at the Cornwall branch of the Royal Bank, has been transferred to the branch at Hamilton. L. G. Poole, of the Montreal branch, succeeds Mr. Johnson at Cornwall.

STERLING

T. E. Fletcher, manager of the Regina branch of the Sterling Bank, has been appointed manager of the Toronto branch and will shortly come East to assume his new duties.

R. Y. Complin, who has been attached to the head office of the Sterling Bank, has been appointed manager of the branch at Regina.

J. H. Jackson, formerly manager of the Uxbridge branch of the Sterling Bank, and recently on the staff of the head office ,has been appointed manager of the new branch of the Bank at Port Dover, Ont.

A. M. Kirkwood, formerly manager of the Palmerston branch, has rejoined the staff and is relieving Mr. Monroe at Stevensville.

G. R. Bradley, who has for some years been manager of the Brookdale, Man., branch of the Sterling Bank, will be at the head office of the Bank for a short time.

The Sterling Bank have moved into their new premises at Zephyr, Ont., under the temporary management of Mr. McCrackin, of the Toronto branch.

W. J. Henderson, manager of the Fort Erie, Ont., branch, and who for the past two months has been in charge of the credit department at head office of the bank, will shortly return to his branch. During his absence from Fort Erie, C. O. Monroe, manager of the Stevenville branch has been temporarily in charge.

P. J. Ravey has been appointed manager of the branch at Brookdale, to succeed Mr. Bradley.

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H. A. ALLISON, Calgary	RENE T. LECLERC, Montreal
HON. GEO. A. BELL, Regina	SIR J. DOUGLAS HAZEN, St. John
JOHN GALT, Winnipeg	W. A. BLACK, Halifax
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Head Office, Toronto, Ont.

THE FINANCIAL POST

The Canadian Newspaper for Investors

Securities Section — PUBLICATION OFFICE, TORONTO, FEBRUARY 8, 1919. — Securities Section

ATTITUDE TOWARD PUBLIC UTILITIES IS BOLSHEVISM

New Brunswick Power Company Suffers From Newspaper Attacks

INCORRECT ESTIMATE

Error in Engineer's Figures to Fix Valuation of Property of the Company is Clearly Shown

Like other public utility companies in Canada which have been suffering from the hostility of public opinion at a time when rising costs of operation are making it most difficult to maintain services on a successful basis, the New Brunswick Power Company is facing a serious situation. Of this corporation's recent experience a director writes:

The history of what the New Brunswic Power Company has gone through in the last fifteen months in an endeavor to get fair play reads like the struggle of the average of the Bourgeois in Russia. Certainly in these days no man in the Public Utility business has any fear of Bolshevism because he has lived with it for some years past. Bolshevism is only an attempt to destroy capital, and I don't think any one can seriously argue that the attacks led by unthinking newspaper men and demagogues supported by unthinking and shallow-minded reformers has been anything less than an attempt to destroy, annihilate and put out of business capital invested in utilities of this character.

Incorrect Estimate

That the estimate of the value of the New Brunswick Power Company by Charles W. Whiting at $1,575,859 has been proven to be incorrect is explained by the company. Mr. Whiting was employed to make an estimate for the city and evidently put the figure as low as he could. It is pointed out that unfortunately for the city's case Mr. Whiting admitted under cross examination that he had overlooked one item of $450,000 in making up his estimates and that this money had been spent some twenty-eight years ago.

At the time the New Brunswick Power Company made its first application for an increase in rates the Public Utility Commission of New Brunswick, acting upon the request of the City of St. John, secured the services of Sloan and Waterman to value the company's property. They placed a valuation of $2,200,000 upon it. In doing this they omitted supplies on hand valued at $36,800, and left off all allocation for overhead and contingent expenses, leaving that to be determined later. At the recent hearing the company put on the stand H. M. Brinkerhoff, of New York, who taking the Sloan and Waterman appraisal as a basis and adding thereto the percentages for engineering, interest on construction, omissions and contingencies, a percentage for going value, an item for working capital, the value of the water power properties, which had not been previously appraised because the estimate was not intended to include them, makes the valuation of the company's property $3,670,806. This same engineer taking the reproduction value and after depreciating it estimated that the reproductive value of the entire plant, including water power, was $4,581,492. It was brought out at the investigation that the New Brunswick Power Company succeeded to the properties of the St. John Gas Light Company, the People's Street Railway Company, the St. John Electric Light and Power Company, the St. John City Railway Company, the Eastern Electric Company, the New Brunswick Electric Company, the Consolidated Electric Company, D. W. Clark, Ltd., the Carleton Light and Power Company and the St. John Railway Company. The total issues of securities of all of these different companies which during the process of years became consolidated and eventually were taken over by the present New Brunswick Power were $5,179,010. The present capitalization of the New Brunswick Power Company is $5,049,000.

INTERCOLONIAL COAL

Intercolonial Coal appeared in the active list on the stock market for the first time this year within a transaction at 80. Sales were infrequent during 1918. Just about a year ago the price was thirty; then it eased off to 27, and in September, when the last previous sales were recorded, it was up to 35.

CANADIAN CAR ARREARS

There Will be No Rush to Pay Up Dividends

By Resident Correspondent

MONTREAL—Some misapprehension would seem to have arisen in reference to the statement of Senator Curry at the annual meeting of the Canadian Car & Foundry Company last week, intimating that when the heavy calls upon the resources of the company were relieved that the dividends in arrears could be met in a single year. This is somewhat similar to the statement made at last year's annual meeting last spring and was taken by many to be an expression officially from the Board as a whole. THE FINANCIAL POST understands that this was not the case, but rather an individual view of a possibility, and that there is no likelihood of its being acted upon. As was announced in these columns many months ago, the dividend policy of the reorganized Board will be carried out along conservative lines, it may be several years before the shareholders will receive the last of the nearly four years of arrears.

TRURO STEEL CO.'S PLANT FOR SALE

Bondholders Take Action—Stockholders Meet For Protective Action

By Special Representative

HALIFAX—The liquidator of the Truro Steel Company is advertising for sale the company's property at Truro. This is done at the initiative of the bondholders, who hold those securities to the extent of $70,000. They bear interest at 6 per cent., none of which is overdue and 15 per cent. of the bonds have been redeemed. The balance would probably be paid off by a sale of the plant and works, though this is not certain.

A notice was sent out calling a meeting of the shareholders for Feb. 7th, to be held in Halifax, the purpose of the meeting being to consider what action shall be taken regarding the foreclosure proceedings and to discuss a resolution authorizing the execution of a mortgage to secure the issue of bonds of the par value of $60,000, repayable in five years, with interest at 8 per cent.

The idea probably is to avoid a sacrifice sale of the property by paying off the balance of the old bonds with the proceeds of the new.

FRENCH AGENT FOR DOMINION TEXTILE

Will Have Exhibit at Lyons Fair—Seeking to Enlarge Export Business

By Resident Representative

MONTREAL—A representative of the Dominion Textile Company sailed this week for France where he will look after the exhibit that the company will have at the Lyons Fair, and at Bordeaux later on. This company is making extensive preparations to explore the world for trade, and besides arrangements already made in the East and Australia, is looking over Europe, where it is thought a demand may develop for a number of its lines. It is reported that Roumania and other Balkan states are certain to give some orders, as they have done already for Canadian knit goods.

In common with the majority of other textile mills the Dominion is not likely to bring out its prices for fall until well on in March, and it may be the first of April. A wholesaler speaking this week to THE FINANCIAL POST stated that the company is anxious, with all the others, to clean up the arrears of orders as much as possible in order that if lower prices come into effect in a few months it may not be compelled to turn out the old orders at these decreased prices, but with decks cleared so far as old contracts are concerned, steer its way among the shoals that threaten all textile companies to some extent in the near future, with prices so uncertain. This same wholesaler expressed the opinion that the Dominion Textile Company would be able to hold a great part of the new fields that it had supplied in Canada during the war and in any case the increased costs of manufacture in Europe would lessen the keenness of the competition in future.

BROMPTON HAS STRONG ALLIES IN THREE NEW MILLS

President Tells Shareholders of Advantage in Interlocking

PROFITS PILING UP

Only the One Mill, Brompton, Shown in Annual Statement—$1,000,000 Bond Issue Ratified

The explanations given by the president of the Brompton Pulp and Paper Company, F. N. McCrea, M.P., at the annual meeting on Tuesday of this week, as to the recent purchases of new mills by the company, were such as to engender further confidence in the company's future.

There are two points that stand out as strengthening the company in its business prospects; one that each of the new concerns that has been acquired will add to the company's profits from its own operations, and has been taken in under terms that its own earnings will take care of payments on purchase account; and, secondly, that the products of the four mills are now so diversified, in newsprint, sulphite pulp, sulphate pulp, ground wood, kraft, manila and bond papers, that a temporary eclipse of any one line in the market would not affect the company's operations or profits at all seriously.

Moreover the interlocking process of mill with mill, ensures to each a good customer for a large part of its production.

Brompton and Claremont

This point was emphasized by Mr. McCrea in the fact that Brompton supplied sulphate to the Claremont mills, and received sulphite pulp and ground wood from Claremont and Odell mills. The Brompton mills had one newsprint machine now in operation and would soon have another at work.

The shareholders showed no objection to ratifying the issue of $1,000,000 of bonds to finance the Odell mill purchase, the preferred shareholders having already permitted the interest on these bonds to rank as a prior charge to dividends. The president stated that the liquid assets of this mill were $750,000 in excess of the current liabilities. He felt the purchase price was a very satisfactory one for the shareholders, and believed they would find their investment in Brompton work out very satisfactory.

In speaking of present business conditions the president stated that there was not as much buying demand as before the war closed. This, however, was due to a condition resembling to some extent the panic that ensued after war was declared. He believed confidence would soon be restored. So far there had been no sign that prices would decline for a long time to come.

The Claremont Profits

One point that has puzzled a number of shareholders was cleared up by an inquiry made by the FINANCIAL POST: why with the addition of the two Claremont Mills the earnings had not greatly exceeded the 1917 total. The explanation, simply was that it was considered advisable not to count in the other mills' profits in the Brompton total this year. Indeed the Odell figures may not be taken in in 1919, but the value is being piled up for the shareholders either in cash surplus, or in an increased paying off of the obligation for the new properties. In any case the total earnings of Brompton this past year fall short of the actual earnings and profits achieved by the combined properties.

WESTERN CANADA FLOUR

Mills Are Now Working on a Minimum Basis.

While the mills of the Western Canada Flour Mills Company have not closed down, they are working on the lowest possible output. The company like others who deal heavily in oat products has felt the depression that followed the withdrawal of the substitute order on a trade heavily stocked with oat substitutes, and are facing fairly heavy losses on these goods.

TORONTO RAIL'S EARNINGS WENT LARGELY TO CITY

$1,301,266 to Toronto and and Only $501,569 For the Stockholders

PITTS SPEAKS OUT

Former Critic of Directorate Expresses His Opinion of "That Gang of Fakirs" in no Uncertain Language

The statement of the Toronto Railway Company considered at the annual meeting of the shareholders this week shows that while the net earnings for the shareholders from the tramways system and the subsidiaries amounted to only $501,569 — $480,000 of dividends and a balance of $21,569—there was handed over to the City of Toronto from the street railway receipts the sum of $1,046,495 and in addition $98,817 for pavement charges and $155,953 for taxes, a total of $1,301,266. This is a point which is more likely to be appreciated by the shareholders than by the citizens of Toronto, but it should not be overlooked in considering the whole matter of the future relations between the company and the city.

The gross income at $6,526,302 showed an increase of $234,543, but such was the effect of the higher costs of operation that charges of $4,509,651 showed an increase of $694,373 and net profits of $2,016,651 were lower by $459,830. Following are comparative figures:

	1918	1917	Inc.
Gr. income ...	$6,526,302	$6,291,769	$234,543
Operat. maintenance, etc. .	4,509,651	3,815,277	694,373
Net earn.	2,016,651	2,476,481	*459,830
Pass. carr'd ..	166,510,326	158,087,984	8,422,342
Transfers .. .	63,176,397	62,301,636	874,761

*Decrease.

The amount available for dividends after the payments to the city and meeting charges was $501,569 and after the payment of $480,000 for dividends the balance was only $21,569. In this connection, and although the dividend only took half the amount distributed in recent years, the President, Sir William Mackenzie, pointed out that the balance was the lowest in the company's history. Following are comparative figures as to distribution of net profits:

Profit and Loss

	1918	1917	1916
Bal. forward ..	$5,543,683	$5,408,873	$5,026,907
Surp. earn. ...	501,569	1,094,810	1,340,793
	$6,045,252	$6,503,683	$6,367,700
Dividends . ..	$ 480,000	$ 960,000	$ 958,826
Balance	5,565,252	5,543,683	5,408,874
	$6,045,252	$6,503,683	$6,367,700

Looking to the Future

In view of the fact that the last wage increase only applied to two months of the year, it must be expected that still further increases in operating charges will be shown in the future. Sir William Mackenzie told the shareholders, however, that the employees would not appeal against the ruling of the conciliation board as they had intended, but would accept the award which had already been agreed to by the company. The operating charges in 1918 reached a level of 71.7 per cent. of passenger earnings despite the increased revenue. This compared with 61.5 per cent. in the previous year and 57 per cent. in 1916. Prior to 1914 the charges were only a little over 50 per cent.

The report as usual gives little information about the subsidiary projects in which the company is interested. In reply to a question by a shareholder at the meeting Sir William and R. J. Fleming, the manager, stated that any holder of stock could have information on application, but that it was not considered good policy to make any public announcement. This indicates a continuation of the policy which has been followed of not giving out information which might have a significance in relation to the value of the company's property.

Mr. Pitts Speaks Out

The annual gathering, which was well attended, seemed likely to pass off in a perfunctory way until a shareholder suggested that something might be heard from Herman H. Pitts, the erstwhile critic of the administration who is now a member

Continued on page 10.

WINNIPEG RAILWAY

Sharp Improvement in the Market for the Company's Shares

From a low point of 35 there has been a sharp improvement in the market for the stock of the Winnipeg Electric Railway. There have been no new developments reported and it would appear that the rise has been the result of the narrowness of the market and lack of offerings. Winnipeg Electric was at one time regarded as one of the most attractive stocks of the investment market and early in 1912 it sold as high as 269. In 1914 it sold as high as 210 and in 1916 up to 110, but since has been steadily on the toboggan down to as low as 35.

The Winnipeg Electric Railway earnings last year showed an increase of $174,633, according to the report submitted to the city. The company's gross revenue for the year was $2,163,389, as compared with $1,988,756 for 1917. As its share of last year's revenue the city will receive $114,509.

LOOKING FOR 5 P.C. ON STEAMSHIPS

Meeting of Directors to be Held Tuesday—Ample Provision For Depreciation

A sudden movement in Canada Steamships Common this week, in which the stock rose readily from the close of 42 last week to 45⅛ on Thursday, seemed to anticipate a rumored decision of the directors to make a declaration of a 5 per cent. dividend on the common stock at their meeting on Tuesday next. It is said that a cable message was received about the middle of the week signifying the approval of the London Advisory Board to dividend action. The stock has had a remarkably fluctuating time of it since just before Christmas, when the chairman returned from abroad. Then it rose to 50¾ on the expectation of immediate dividend action, currently reported as 3 per cent. for the half year. When nothing was done, there was a slump to 42 of last week. Since then, until the more heavy buying of Wednesday and Thursday lots have been picked up quietly.

In answer to an inquiry, THE FINANCIAL POST was informed officially that the company had no occasion to do writing-off of its valuation of boats following the $1,000,000,000 announcemnt of Mr. Hurley of the United States Shipping Board. "In the first place, we never built boats ourselves during the war; nearly all we had were bought before the war, and held at normal valuations."

MONTREAL COTTONS LIKELY TO RAISE RATE

Belief in Circles Near Company That Dividend Will Go Up From 4 to 5 Per Cent.

In circles close to Montreal Cottons, Ltd., it is regarded as almost certain that the company will raise the dividend rate very shortly from 4 to 5 per cent. During the past year earnings have increased very considerably, and it is felt in many quarters that the increased rate—pretty well decided on before the war closed—will be brought into effect. Of late there has been some heavy buying, especially of the preferred around 100 and 100½, while the common holds strong around 60, an unusual price for a 4 per cent. stock.

ATTRACTIVE POSSIBILITIES

Montreal Brokers Predict Big Rise in Victory Bonds

A prediction that within three years the 193 Victory Loan will be selling at 114 and the 1937 Loan at 117, or on a 4 per cent. basis, is made by McCuaig Bros. & Co., Montreal.

F. N. BURT

The market for F. N. Burt has shown further advance this week, the recent movement now indicating a gain of about 10 points since the first of the year. The annual statement is being awaited with considerable interest in view of these market developments.

UNCERTAINTIES PREVENT COMMON STOCK DIVIDEND

Manufacturers Cannot Foresee the Results of the Coming Year

N.S. UNDERWEAR CO.

Earnings of Year Warrant a Distribution on Junior Securities, But Future Regarded as Being Too Uncertain

By Special Representative

HALIFAX.—John E. Wood, president of the Nova Scotia Underwear Company, in sending out the report of the directors, announces that though the dividend has been earned on the common stock it will not be paid because of the uncertainties of the future. It is impossible, President Wood says, for any manufacturer to foretell with definiteness the result of the coming year. War orders have ceased and outstanding war contracts have been cancelled. The return to peace conditions will undoubtedly be gradual and beset with many uncertainties and many perplexities. This company in common with others must be prepared to adapt itself to new conditions attendant on the readjustment of manufacturing and of commerce in Canada. While the immediate outlook is difficult to determine, your board does not feel that there is any ground for apprehension. The complete return to normal will find the company much better equipped to cope with business than it was before the opening of hostilities.

Operations for the fiscal year, President Wood says, have resulted in profits of $41,053.76, the largest in the company's history. After writing off the balance remaining in reorganization account, instituted at the time of the fire, and transferring $9,116.81 to the credit of the reserve fund for depreciation, there remains to be carried forward the sum of $11,596.63, making the total at credit of profit and loss $36,596.44.

Apart from the payment to Reorganization Account, which was due to extraordinary conditions and will not have to be further reckoned with, after providing for depreciation and payment of preferred dividends, the earnings of the company for 1918 were over thirteen per cent. on the common stock.

Among the items in the column of assets are accounts receivable $52,030, stock in trade and goods manufactured and in progress $206,568; in liabilities accounts payable $66,670, bills payable $29,326, Royal bank loans, $96,921. The issued capital is $200,000 preferred 7 per cent. shares and $155,000 common.

The annual meeting will be held in Windsor on February 11th. It is the company's seventh annual report.

MARITIME TELEGRAPH

Increase in Capital Stock is Proposed to Shareholders

HALIFAX.—The Maritime Telegraph and Telephone Company's annual meeting is called for Tuesday, Feb. 11th. The company has had a good year, with business rapidly increasing, but like most other progressive concerns are in need of more capital.

After the notice calling the regular meeting came another calling a special general meeting to be held immediately afterwards for the purpose of discussing and passing a resolution consenting to the increase of the capital stock from $3,000,000 to $4,000,000. From such increase, the notice states, the company may, from time to time create and issue $100,000 cumulative 7 per cent. preferred shares of the par value of $10 each, ranking pari passu with the existing 7 per cent. cumulative preferred shares. The authority to issue 7 per cent preferred shares was obtained a year ago.

GOODWINS

Goodwins common made one of its very infrequent appearances in the sales list of the stock market this week when a few shares changed hands at 10. The only sales during 1918 were in September when a few shares were traded at 11 and then the price jumped to 15.

BELDING-PAUL EARNED 21.8 P.C. ON PREFERRED

Good Margin, Even After Paying Off 14 Per Cent. on Arrears

TO RETAIN BUSINESS

Most of New Trade Built Up During War Likely to Remain—Working Capital Grows Steadily

The continuance this first year of the 1917 policy of Belding Paul Corticelli, Limited, to wipe out 14 per cent. of accrued dividends in the preferred stock, finds its basis in the report of the company for the year ending No. 30, 1918, as just issued. For after deducting interest, sinking fund and depreciation from the profits of $278,731, there remained $189,478 available for dividends or 21.8 per cent. on the preferred, as compared with 16.5 per cent. one year ago. While 1½ years' payments still remain of accrued dividends it seems idle to mention common dividends, but as a matter of arithmetical exercise the comparison may be continued by mentioning that if only the current dividend on preferred had had to be met, there would have remained sufficient to pay 17.2 per cent. on the common, compared with 10.9 per cent., available under similar conditions in 1917. The common shareholder has this consolation, however, that in much less than two years all the arrears will have been met, and,—if present earnings continue,—the holder of common should have no reason to be disappointed.

Three Years' Figures

The figures for the past three years show a steady growth in earnings, from $225,126 to $232,999 to $278,731. The net profits rose from $135,984 to $142,754 to $189,478 this year. From this in 1918 there was deducted the amount of $121,142 for dividends, that is 14 per cent., what might be called keeping up with current and reducing the accrued by 7%. Thus in the past two years the accrued dividends have been reduced 14 per cent., while covering current dividends. There was left this year to add to profit and loss, $38,336, compared with $17,297 one year ago. The total profit and loss stands at $287,811, a gain of over $38,000 for the year.

The working capital of the company shows about a similar gain as the profits; the balance of liquid assets over current liabilities being $764.647 in 1918, to $736,663, in 1917, a gain of $28,000.

The profit and loss account compares as follows:

Profit and Loss

	1918	1917	1916
Profits	$278,731	$232,999	$225,126
Deduct—			
Deb. int.	$ 36,976	$ 36,976	$ 36,976
Sinking fd.	14,790	14,790	14,790
Deprec.	31,235	12,226	11,124
Written off	6,250	26,250	26,250
Bal. net profit	189,478	142,754	135,984
Less—			
Dividends	$121,142	$120,457	....
Reserves	30,000	5,000	....
Surplus	$ 38,336	$ 17,297	$135,984
Tot. P. & L.	$287,811	$249,475	$232,178

The Financial Post understands that the company expects to hold practically all the new business it has built up during the war. One of these lines is braid that mostly came from Germany. The ribbon department profited from the cutting off of much of the European lines, but it is hoped to retain most of the war business. Piece silks have been developed and here too, large turnovers are assured. Then the company has been branching out in art needle-work and associated lines, and these have added to the sales and are likely to continue.

A detailed table of liquid assets shows a small increase in accounts and bills receivable. The largest increase is seen in inventories, which have grown from $714,296 to $930,950, an increase of over $216,000. Much of this is due to the higher prices that obtained in 1918 over 1917. As might be expected under the circumstances of the larger inventory, the banking indebtedness has increased $45,000, from $175,000 to $220,000. The accounts and bills payable have doubled, from $163,917 to $338,562. The various items compare as follows:

Working Capital

	1918	1917
Liquid Assets—		
Cash	$ 36,681	$ 35,342
Acc. & bills rec.	412,685	374,131
Inventories	930,950	714,296
Bonds	11,964	17,876
Due by empl. V. Bds	2,888	....
	$1,395,169	$1,141,646
Current Liabilities—		
Bank loans	$ 220,000	$ 175,000
Accs. & bills pay.	338,562	163,917
Accr. charges, wgs.	41,675	35,929
Div. on pref. stk.	30,285	30,137
	$ 630,522	$ 404,983
Bal. work. cap.	764,647	736,663
Gain, 1918, over 1917	....	$27,984

STEEL SECURITIES HOLDING POSITION

Selling Freer of Late Than at Beginning of Year, But Prices Hold Well

The attitude of the holders of steel securities and of prospective buyers of the same is about the same as that of the officials of the companies just now. The steel group stands up well through the period of uncertainty. A very fair way to judge the situation is to look at the prices that were being quoted for steel stocks in Canada at the signing of the armistice, and compare them with the prices of to-day. It will be seen, if the selection is confined to the most traded stocks on the market, that there is a difference of only a very few points.

Brokers inform the FINANCIAL POST that they were absolutely sure there was nothing indicating fear on the part of the holders of steel securities in Canada. There had been no evidences whatever of any desire on the part of shareholders to throw their holdings on the market.

Selling has been freer of late than at the beginning of the year, but prices hold well. Officials have expressed themselves as satisfied that business will be brisk when the normal trade begins again, and there is nothing to indicate that the mills will not be able to earn satisfactory dividends, and considering the present value of shares should be able to show a good return on the amount invested.

MILLIONS FOR WORKS

Important Statement by Hon. J. A. Calder at London

LONDON.—Millions of dollars will be spent by the Dominion Government on the improvement of railways, shipbuilding, Provincial highways and other public works, was the announcement of Hon. J. A. Calder, Minister of Immigration and Colonization, speaking before the Canadian Club.

CITY OF TORONTO
$650,000 SERIAL GOLD BONDS

Sealed Tenders, endorsed "Tender for City of Toronto Bonds," addressed to **Thomas L. Church, Esq.**, Mayor and Chairman of the Board of Control, will be received by the undersigned until

12 O'CLOCK NOON, TUESDAY, 11th FEBRUARY, 1919

for the purchase of—

$650,000 bonds issued for Hydro-Electric purposes, due July 1st in each year, as follows:—

Payable	Amount	Payable	Amount	Payable	Amount
1919	$19,000	1926	$27,000	1933	$39,000
1920	20,000	1927	29,000	1934	42,000
1921	21,000	1928	30,000	1935	44,000
1922	22,000	1929	32,000	1936	46,000
1923	23,000	1930	34,000	1937	49,000
1924	24,000	1931	35,000	1938	51,000
1925	26,000	1932	37,000		

The legality of the issue has been approved by Mr. J. B. Clarke, K.C., and his favorable opinion will be furnished.

The bonds are an obligation of the city at large, are issued in coupon form, with provision for registration of principals, bear date July 1st, 1918, and are in denominations of $1,000.

They are payable both as to principal and interest in gold, in Toronto and New York, and carry interest at the rate of 5½% per annum, payable half-yearly on the 1st of January and July, the first half-yearly instalment of interest being due and payable on the 1st of July, 1919.

Engraved bonds are now ready for delivery, and payment must be made not later than 18th February, 1919, with accrued interest from the 1st January, 1919, to date of payment. Delivery and payment are to be made at the office of the undersigned, and in view of the premium on New York funds, tenderers may submit two bids—one for payment in New York funds, and the other for payment in Toronto funds. Tenders will be received for "all or none."

A certified cheque, payable to the undersigned, for 2% of the par value of the bonds tendered, must accompany the tender.

Tenders specifying for bonds other than those herein described, or containing conditions varying from the above, will not be considered.

The right is reserved to reject any or all proposals.

Statements giving full information will be furnished on application.

T. BRADSHAW, Commissioner of Finance.

City Hall, Toronto, Canada, February 4th, 1919.

MAPLE LEAF MILLING

Small Business Offering With Export Trade Cut off.

The big mill of the Maple Leaf Maple Leaf Milling Company at Port Colborne, Ont., is half closed at the present and the other half is running only at a minimum. The same is true of all the other mills, the business offering with the export demand shut off is only capable of looking after a very small output. There is no intention at the preset time of rebuilding the mill at Welland destroyed by fire some time ago. A recent report that it would be rebuilt probably resulted from the fact that the walls are being roofed over to provide a storage for stocks shipped from the Port Colborne Mill for distribution.

There was a better feeling evidenced in the sales of the company's stocks during the past week.

THE SEIZURE OF MACKAY PROPERTIES

Bankers' Magazine Considers That it is Development of a Bad Habit

In the opinion of the *Bankers' Magazine* the seizure of the ocean cables serves to direct attention to the origin and growth of a bad habit—that of taking other people's property. Clarence H. Mackay is testing in the courts the right of the Government to seize his property. Further:

Rather a curious argument is employed b ythe Postmaster-General to justify the seizure of the wires. It runs something to this effect: profits on the privately owned and managed wires are around seven to eight per cent. per annum, as indicated by the dividends; the Government can borrow at 4¼ per cent.; therefore, why should not the Government borrow the funds necessary to buy the wires, and save the people the difference between this interest rate and the profits mentioned? Without stopping to point out the fallacy in financial reasoning of this kind, it may be said that it can be applied to every other form of business making equal or greater profits. This means general if not universal Government ownership and operation of business of every kind, and in essence is applied socialism.

The Company's Outlook

According to the Toronto "Globe" a favorable impression of the financial affairs of the Mackay companies was brought back from New York by F. Gordon Osler after a conference with Mr. Mackay.

While not answering any figures, Mr. Osler said he was confident the earnings for the year just closing will be as good as in the preceding year, which had been in the best in the history of the company. The war had given great impetus to cable business, and that meant much to the Mackay companies. It was true that business might fall off slightly after the war, but at present there was every reason to be satisfied with conditions. Sellers of Mackay stock in the United States seem to be almost altogether those who held stock on margin, while those who held it for investment did not seem to be disposing of it.

TORONTO RAIL'S EARNINGS WENT LARGELY TO CITY

Continued from page 9

of the board. If it was considered that reference to Mr. Pitts' former attitude would have the effect of bringing a vigorous reply there was no occasion for disappointment. The Ottawa director and exponent of the service-at-cost movement in Canada left no doubt in the minds of those present as to where he stood.

In the first place, Mr. Pitts put himself on record as heartily endorsing the board and its policy in its relations with the city. He then proceeded to relieve his mind of his opinion of the tactics of the City Hall politicians. Than the treatment accorded the company, he said, nothing could be meaner or more contemptible. And this not only applied to the city authorities, but to provincial as well, as indicated by the attitude of the Chairman, Mr. McIntyre, of the Railway Board, who had declared that he had no interest in the dividends of the shareholders, but only in the enforcement of the franchise agreement. This was an injustice to the stockholders, of whom more than 3,000 of the total of 5,000 had less than 25 shares. That the funds of such people should be menaced was a blow at the thrift of the country. At the time such investments were made there were no Victory bonds and the people who bought Toronto Railway stock had considered that the city stood as a guarantee of just treatment.

Mr. Pitts' remarks grew more heated as he continued and he reached a climax when he concluded by asking for a continuation of confidence and declaring that they would beat "that gang of fakirs" yet.

DETAILS LACKING RE OTTAWA TRACTION

Report Does Not Give the Returns From the Ottawa Street Railway Co.

The report of the Ottawa Traction Company for 1918 is from the standpoint of the shareholders lacking in information regarding the company's affairs as compared with previous statements covering the affairs not only of the Ottawa Traction Company, but of the Ottawa Electric Railway Company. The statement merely shows that a total of $260,040 was received by the Ottawa Traction Company as dividends from the Ottawa Electric Railway Company, and that this was distributed by the payment of three quarterly dividends of 1 per cent. each and a fourth dividend of 1 per cent. with a bonus of 1 per cent. making a total of 5 per cent. for the year.

The president, T. Ahearn, states that progress during the year was consistent with the company's established record. Receipts were seriously interferred with by the influenza epidemic, but the prospects for the coming year are described as encouraging with every prospect of continued success. In the following comparative table the figures of 1917 and 1916 are taken from the profit and loss account, but comparative figures for 1918 are not available.

Summary of Income Account

	1917	1916	1915
Earnings	$1,240,627	$1,154,912	$1,041,100
Expenses	705,338	670,348	657,326
Balance	$ 535,289	$ 484,564	$ 383,774
Taxes	65,400	41,495	19,654
Mileage	16,443	16,442	17,217
Interest	44,080	48,301	47,926
Net earn	$ 409,666	$ 378,326	$ 298,977
Dividends	281,580	281,535	281,535
Cont. acct.	110,000	65,000	......
Surplus	$ 18,086	$ 31,789	$ 17,441
Earnings:			
On capital	22.0%	21.0%	16.5%
Dividends	22.0%	15.0%	15.0%

Net earnings, 1918	......	$260,040
Dividends, 1918	....	260,040

STANDARDIZATION OF ACCOUNTING

Whole Matter is to be Considered by American Institute of Accountants

That the American Institute of Accountants is to appoint a committee to consider the standardization of accounting procedure is pointed out by J. C. Gray, C. A., of Toronto in the Canadian Chartered Accountant. Whether or not the objects of this proposed committee will include the question of the standardization of auditors' accounts and reports is not clear, but no doubt their work is bound to touch on this more or less, particularly as there would appear to be a considerable field for betterment in this respect which could be handled to advantage at the same time.

When the labors of this committee are completed and its report and recommendations are available for the use of other societies it would be an opportune moment for the Canadian societies to take these up and adapt them, where suitable and desirable, to conditions in this country. It is with the object of anticipating this event and of making a few observations of my own that this article on "Standardization of Shareholders' Accounts and Auditors' Reports and Certificates" is written.

The following should always be borne in mind when drawing up and submitting accounts of a company for its shareholders' use and information:

1. The provisions of the Companies' Acts regarding the information to be given on a balance sheet should be observed. As these are given in Section 12 of the Companies' Act Amendment Act, 1917, it is unnecessary to refer to them in detail.

2. The accounts should be set up and prepared in such a manner that one year or period may be readily compared with another. The wording used should be simple and clear, and technical terms should be avoided where possible. When one takes into consideration the fact that the majority of the shareholders of most public companies do not understand very much about accounting the desirability for the above is apparent.

3. Where a company is a public one, sufficient information should be given in its annual accounts to enable a prospective investor in its stock, through the medium of the stock exchange, to size up its financial position quickly, and, without seeking further information from outside sources than is necessary, to decide whether or not he will invest. Moreover, the stock exchange will always regard with more favor those stocks which are backed up with financial statements that are clearly and simply drawn up than those that are not. This also applies to bankers, who, as a rule, are not very well informed in the art of understanding and determining financial positions of companies and the values of investments, and, consequently, will be inclined to listen more eagerly to petitions for credit which are supported by accounts that they can understand.

It can, therefore, be understood that the manner in which a company's accounts are prepared, and by this I do not mean the neat, and sometimes the rather flashy way in which they are bound, although, if this is not overdone, it counts in their favor, may take quite an important place in an investor's or banker's estimation.

CANADA'S TRADE

Nine Months' Figures Show Decline in Volume

OTTAWA.—Trade figures for the nine months of the fiscal year, or up to December 31, show that the total of Canadian imports and exports is $379,405,186 less than it was after a similar period in 1917. For the nine months of the fiscal year the total of Canadian trade was $1,676 006 825, while in 1917 it amounted to $2,055,412,011. For the month of December alone the decrease amounted to $28,551,923, the 1917 total being $212,521,710, and the 1918 being $183,969,787.

AGAINST BONUS TO HELP GOLD OUTPUT

British Committee Rejects Proposition to Subsidize as Being Economically Unsound

NEW YORK.—Report of the British Committee appointed to consider the increasing cost of gold production coincides, in the main, with the report of the United States Committee appointed for the same purpose. Both findings reject the proposal of a bounty, or subsidy, on gold mining, and both advocate the availability of a free export movement of the metal. The British Committee offers little in the way of a solution for the present difficulty, except to recommend that "steps should be taken to control the amount of development work that may be carried out by each mine and the allocation of the available labor force." The committee has "no reason to believe that there will not be forthcoming from the British Empire on the parity basis as much gold as we shall need for the purpose of strengthening our reserves."

The United States committee advocated the removal of excess profits taxes in the case of the gold mining corporations.

Sound money students have, from the first, deprecated the payment of a bounty to stimulate gold production, and it is interesting to observe how decidedly the British committee rejects the proposed plan. On this question the report reads, in part, as follows:

"The committee are not prepared to recommend any bounty or subsidy for the purpose of stimulating the gold output of the empire. Gold being the standard of value, no more can properly be paid for it than its value in currency. Such a subsidy would be fundamentally unsound. The result would be that the purchasing power of the whole of the world's gold would be diminished, while the value of commodities for which it is exchanged would rise.

"It is desirable that a gold reserve should be held, and its most important function would be its availability for export at the standard price when required to meet foreign indebtedness.

"We can only maintain our gold reserves in this country if the value of our exports, visible and invisible, exceed on balance the value of our imports. If we want gold and cannot produce it at a profit, we must depend on our capacity to render services, and to produce at a profit the commodities wanted elsewhere by the holders of gold, and to do so we must adjust our prices to world prices.

"We shall not be able to keep gold which we acquire by means of a subsidy if the balance of trade is against us, and, apart from the shareholders in gold-mining concerns, whose gain would be merely temporary, the only people who would benefit by the subsidy would be the foreign purchaser of the gold.

"The London Chamber of Commerce apprehends that prices may fall rapidly at peace with disastrous results to industry, and contend that it might be in the public interest to take steps to prevent the rapid fall in the price of commodities by stimulating the production of gold at the expense of the taxpayer. The committee neither share their apprehension nor accept their contention.

"To give more for an ounce of gold than it is worth in currency appears to be out of the question, except on the supposition that we want gold for the purpose of keeping it locked up and unavailable for export. The committee cannot, however, see any use in acquiring gold for such a purpose.

"They have no reason to believe that there will not be forthcoming from the British Empire on a parity basis as much gold as we shall need for the purpose of strengthening our reserves, but in any case the additional amount of gold which at best we could hope to secure by a subsidy would, in the opinion of our witnesses, be of no advantage to this country for building up reserves unless we can afford to keep it."

WESTERN LIVE STOCK

Mild Winter Is Helping Out the Feed Situation

By Special Representative

CALGARY.—Reports from all parts of the province are to the effect that the extremely mild winter, which up to date has continued, has made it possible for stockmen to get through in good shape even though earlier in the season it was believed the feed situation was very inadequate.

So far as hogs are concerned, the very great drop in the price of barley and other mill feeds is making it possible for many who otherwise would have disposed of their surplus hogs at a loss, to now keep them on until spring opens when there will be sufficient grain feed to take care of them.

National Bank of Commerce, American Southern National Bank and National Bank of Kentucky, of Louisville, Ky., have been merged under name of National Bank of Kentucky, with total deposits of $42,000,000.

International Petroleum Company, Limited

Report and Accounts for the Year Ended 31st December, 1917.

Offices: 56 Church Street, Toronto, Canada

DIRECTORS:

G. H. Smith - - - - - - President
Hon. W. J. Hanna, K.C. - - Vice-President
A. M. McQueen - - Vice-President
J. L. Englehart
Capt. Henry Keswick, M.P.
Hon. Wallace Nesbitt, K.C.
Sir Edmund B. Osler
C. O. Stillman

SECRETARY AND TREASURER
J. R. Clarke

REPORT OF THE DIRECTORS

The Directors beg to submit their Report and Balance Sheet for the year ended 31st December, 1917.

The statement of 31st December, 1917, covers the third year of the Company's business. The earnings were $1,009,017.60 or 14.91% on the outstanding stock.

In the last Report, shareholders were advised of the negotiations between the Government of Peru and the Company with a view to a settlement of certain questions raised by the Government relative to the amount of the Mining Tax which the Government have contended is payable in respect to the Company's property. The directors desire to report that as yet these negotiations have not resulted in securing from the Government the necessary legislation to legalize the agreement arrived at between the Committee of the Peruvian Senate and the Company's representatives for a settlement of this matter, but an agreement has been entered into to submit the question to International Arbitration.

By Order of the Board.

J. R. CLARKE,
Secretary.

Balance Sheet at 31st December, 1917.

ASSETS

Fixed and Moveable Plant	$ 5,532,387.90
Other Investments	1,427,190.75
Stocks of Oil, Stores and Material on hand and in transit	2,648,911.98
Accounts Receivable and other Debit Balances	1,617,311.98
Bills Receivable	1,691,319.04
Cash at Bankers and in hand	744,040.97
	$13,661,162.62

LIABILITIES

Capital Stock—	
Preferred: Issued 100,000 shares	$ 500,000.00
Common:	
Authorized 3,900,000 shares	
Issued - 1,253,401 shares	6,267,005.00
(Note: All shares £1. each Par Value $5.00)	
Accounts Payable and other Credit Balances	2,633,723.91
Share Premium Account	981,641.24
Marine Insurance Reserve	978,678.27
Reserve for Dividend No. 1, declared Dec. 10, 1917, payable Jan. 31, 1918	676,700.50
Undivided Profits (Balance as at 31st December, 1916) after deducting Dividend No. 1	614,396.10
Balance at Credit of Profit and Loss Account	1,009,017.60
	$13,661,162.62

G. H. SMITH, President.
J. R. CLARKE, Secretary.
56 Church Street, Toronto, Canada, Feb. 8, 1919.

RIORDON BONDS SELL RAPIDLY IN UNITED STATES

American Members of Syndicate Clear Out Allotment

A LARGE ISSUE

Funds Realized Being Used in the Construction of Kipawa Fibre Company's New Mill

The $4,000,000 issue of 6 per cent. 10-year general mortgage bonds of Riordon Pulp & Paper Co. has been purchased by Royal Securities Corporation, acting in conjunction with Wm. A. Read & Co., New York; E. H. Rollins & Sons, Parkinson & Burr, and Coffin & Burr, of Boston. Terms of the offering are not yet announced, but a public offering may be made within ten days or two weeks. It is understood that the American syndicate associated with Royal Securities Corporation offered their bonds in the American market privately last week and sold their entire participation within two days.

As the largest instance of financing carried out in connection with a Canadian industrial for some time this issue will attract a great deal of attention.

The bonds are secured by a general mortgage on the Riordon plants, and by collateral deposit of the controlling interest in the Ticonderoga Pulp & Paper Company of Ticonderoga, N.Y., and the controlling interest of the Kipawa Company, Limited. Funds arising from this new financing, together with a large investment by the Riordon Company itself, are being devoted to the construction of a 30,000-ton bleached sulphite pulp mill on Lake Temiskaming in Northern Ontario, which is expected to be in operation by December, 1919. When this new construction is finished, the Riordon Company will have a total capacity of 119,000 tons of easy bleaching sulphite, bleached sulphite, soda pulp and book paper, which makes it the largest manufacturer of this class of pulp in Canada.

This plant is excellently situated for industrial purposes. Located on Lake Temiskaming, the company can draw on the watersheds of the Quinze and Kipawa Rivers, which together have an area of 12,800 square miles, and contain about 29,000,000 cords of pulpwood.

The new issue will make a total of $6,000,000 of bonds issued by the Riordon Company. Against these are fixed assets valued at $15,000,000 and net liquid assets of $2,250,000, or 35 per cent. of the total bond issue. The average earnings of the Riordon Company for the last three years have amounted to $1,600,000, which is more than four times the total bond interest.

CANADIAN LOCOMOTIVES

Discussing the future of Canadian Locomotive, McCuaig Brothers & Company, Montreal, say:

As in the case of many other industries a good deal of uncertainty exists respecting the future of this business until the basis of production is readjusted to the altered conditions prevailing since the end of the war.

Last year the company secured contracts which it is estimated will keep the plant fully occupied for the next three months. Afterwards it is hoped that fresh orders will be forthcoming, as it is believed that the motive power of Canadian railways will need replenishing owing to the wear and tear of the past year or two, during which demands on the transportation facilities of the Dominion were so great that it was difficult to spare time to make needed repairs and keep equipment up to a proper standard.

The readjustment of prices of raw materials entering into the construction of locomotives is proceeding apace, but naturally much depends on the length of time that this process will take. As to how long it will be before purchasers of locomotives are forced into the market it is impossible to say, but it is reasonable to expect that purchases cannot be very long delayed, even though at first they may be on a moderate scale.

The readjustment of the labor situation will also be an important factor in reducing the cost of production and that too will take some time. When, however, these two elements of uncertainty are removed, the outlook for the future of this industry is undoubtedly promising.

FOR SALE

75 tons Smokeless Bituminous Coal, very highest grade. Can make immediate delivery.

THE MACLEAN PUBLISHING COMPANY
153 University Avenue, Toronto

HURON AND ERIE

Market Strong on Announcement of Stock Rearrangement

There has been a strong market for the stock of the Huron and Erie Mortgage Corporation on the announcement of the proposal to double the stock issue by drawing on reserve funds. For the 20 per cent. paid stock which during the past year has sold at 190 to 192 as high as 200 has been offered and maintained while the fully paid has sold at 204 and there further of offers of that figure do not arouse the interest of holders.

LARGER PROFITS FOR ASBESTOS CORP.

Very Satisfactory Statement Coming Next Month—Shipping Products to Japan

By Resident Representative

MONTREAL—When the annual meeting of the Asbestos Corporation of Canada is held on the fourth of March, the shareholders will receive a statement that will show profits far ahead of last year, when the profits were $506,542. This condition, of course, was reflected in the extraordinary dividend record of the company that was established during the past year, when the preferred stock was twice raised in its dividend, from 4 to 6 per cent. and three months later, the common stock was placed on a basis of 5 per cent. Now the preferred will share equally with the common in dividend disbursements.

The close of the war appears to have made little difference in the demands for asbestos. The Canadian mines supply about 90 per cent. of the world's supply, now that Russia is practically off the map owing to internal disorganization. THE FINANCIAL POST is informed that the Asbestos Corporation is shipping its product not only to the United States and all parts of Europe, including Switzerland and Italy, but also to Japan and other countries. There is only one large manufacture in Canada for the asbestos, and much is shipped over in the raw form and returned to this country. The demand for building purposes all over the world, it is believed, will continue to supply the Asbestos Corporation with all the market it requires for many years.

DOMINION STEEL

Company Has Confidence in Future of Steel Industry.

If the Dominion Steel Corporation can secure the release of its freight carrying vessels that have been under Government order during the war it might help to relieve the congestion of coal in the East. The Dominion Iron & Steel Company is working on the completion of rail orders given by the National Railways before the signing of the Armistice, which will give this company a partial outlet for its production. Work is progressing normally on the construction of the new plate mill at Sydney.

Prior to leaving for England, Mark Workman, President of the Dominion Steel Corporation, gave an interview that indicated his firm belief in the future of the steel industry in Canada. He stated that his reason for going to England at this time was to endeavor to secure some of the export business that might be offering in order to keep the plant at Sydney in operation.

RRAZILIAN TRACTION

Trading in Brazilian Traction has been very much lighter in volume recently with total sales usually under 200 shares. The price has been slightly easier this week.

CANADA STEAMSHIPS

The movement in Canada Steamships which was marked by a gain of a couple of points in the market for the common this week saw the largest sales of the present year.

PORTO RICO

The first transaction of the year for Porto Rico common found a price of 33. Last previous sales in August last were around 37.

The market for the company's stock has continued to show improvement this week.

EASTERN CAR

There is a rumor to the effect that a dividend may be forthcoming for the shareholders of the Eastern Car Company, Limited, New Glasgow, N.S.

PROVINCIAL PAPER MILLS ARE PROBED

Affairs of This Company Form Subject of Examination at Book Paper Inquiry

The affairs of the Provincial Paper Mills, Limited, figured prominently in the book paper investigation held on Wednesday and Thursday of this week in Toronto. The three mills of this company were the only book paper mills examined by G. T. Clarkson, the commission accountant, as a result of earlier hearings. Three months were spent in work of examining the mill books and when the report was submitted, Commissioner Pringle held that the prices charged were fair and reasonable.

In a cross-examination of Mr. Clarkson by Glyn Osler, counsel for the publishers, it came out that profits of the Provincial Mills for the last six months of 1918 had dropped from $272,000 to $210,000. The profits for the year were about $410,000, which without including the war tax, was a return of about 20½ per cent. Net profits in 1917 were $383,333 and in 1916, $416,594.

Subject to certain qualifications in the report, Mr. Osler, reading from Mr. Clarkson's letter, said the profits of the Provincial Paper Mills were: 1914, 8.65 per cent. of the selling price; 1915, 11.22 per cent. of the selling price; 1916, 16.75 per cent. of the selling price; 1917, 13.06 per cent. of the selling price; first six months of 1918 19.07 per cent. of the selling price. In 1916 the increase of cost over selling price per cent., compared with 1914, was 15.2 per cent., as against that increase of 15.2 per cent. of cost there was an increase of 26.4 per cent. on sales. In 1917 there was an increase of 76.1 per cent. on cost, as against an increase of 85.8 per cent. on sales. For the six months of 1918 there was an increase of 55 per cent. on cost, as against an increase of 75.6 per cent. on sales.

NOVA SCOTIA STEEL

Steel Making Suspended—Shipbuilding Continues.

As intimated before steel making operations have been suspended. The blast furnace is being banked. One battery of coke ovens will operate in order that a stock of coke may be piled against the resumption of blast and open hearth operations. The suspension of steel manufacture will lessen the demand for coal, and it is expected that some idleness will result at the collieries.

There is a tendency to increased production of coal, due partly to the return of miners from the front, but more particularly to the workmen attending their work more regularly. This is a result of the feeling that employment in coal-mining is not so assured as it has been for the past four years. While there is just as great necessity from the national standpoint for increased production of coal in Canada, yet the situation in Nova Scotia is approaching the point of over-production because export of coal to Montreal and other usual markets for Nova Scotian coal is temporarily prevented by the high cost of steamship freights.

The Nova Scotia Steel Company is going ahead with the construction of two freighting steamships to the order of the Canadian Government.

TWIN CITY'S OUTLOOK

Statement by President Lowry as to the Situation

President Lowry, of the Twin City Rapid Transit Co., in his report to shareholders regarding the operations of the past year, says:

The management has made every effort to increase revenue through advance in fares, but so far without success; people being too much absorbed in the war and its results to give thought to public necessity of helping maintain the services of their urban transportation system, and not realizing that without increase in revenue during the period of war prices the company could not continue to maintain the system and service at its pre-war standard.

Failing to secure relief through increase in revenue it has been necessary to put into effect every possible economy in operation, and efforts of the management in that direction are reflected in the operating statement.

The management will continue to make every possible effort to obtain increase in revenue, and it is hopeful of success when the public realizes additional revenue is absolutely necessary to enable the company to meet reasonable demands for service and extensions.

During the year contract was entered into providing for opening of a coal mine in Illinois, from which we obtained our supply of steam coal at cost of production, which is much below prevailing market price; but even at this price our coal cost nearly double the amount paid in pre-war times.

LOEW'S NEW ISSUE

Loew's Theatres have purchased a site for a theatre in London, Ontario, and will shortly commence the building of a theatre to cost some $300,000.

To provide funds for the erection of the building, the company intends to shortly make an issue of stock.

FUTURE OF G. T. R.

Mr. Hanna Knows Nothing About Negotiations

OTTAWA.—"Only the inner circle can tell you that," replied D. B. Hanna, Chairman of the Board of Directors of the Canadian National Railways, while in Ottawa to-day, when asked if new negotiations were proceeding between the Government and the Grand Trunk Railway Company for the acquisition of the latter's lines. "I have no knowledge, either official or unofficial, about that."

ST. LAWRENCE MILLS AGAIN OPERATING

Wisdom of Keeping Dividend to Six Per Cent. Basis is Now Evident

By Resident Representative

MONTREAL.—After the mills of St. Lawrence Flour Mills Co. had been closed down for nine days they were started again this week on a short run, but it is not known what the conditions will be any length of time ahead. Instead of having a clear road for operating to the capacity of the mills, as was the experience for the greater part of last year the company is faced with the same conditions that have dislocated the plans of the rest of the large mills of Canada, buying for export has ceased entirely for the time at least, on account of the blockade both on this side and the other. Just when the Wheat Export Company will be in a position to start buying again is not known, but it is feared it will be well on in the present month. It is difficult to see how the mills can catch up now with the output that the most of them looked forward to, and if this state of affairs lasts much longer the output for the year 1918-19 cannot be as great as it was one year ago, instead of greater as was the general expectation.

The decision of the directors of St. Lawrence Flour not to place the stock on a ten per cent. basis, but to keep to the regular six, with a bonus, is now seen to be the wiser plan, although a few months ago, when the earnings were running very high there was strong pressure, even within the Board to raise the regular rate. By this it is not meant to imply that St. Lawrence will not be able to keep up the six and four rate with earnings this year, but the action of the Board must be commended as the only conservative course under conditions that proved that "capacity" operation was not by any means assured for the future, as many argued.

RAILROAD EARNINGS

Big Increase Seen in the Gross Figures.

An increase of $5,000,342 is seen in the gross earnings of the Canadian railways for the month of January over January of last year, the total this year being $23,243,247. The figures from hence forth for the Canadian Northern Railway will include all the Government lines, while the Grand Trunk earnings include those of Canadian lines only, as these in the United States are being operated under Government control. The increase over last January is due partly to increased freight and passenger rates, and also to a great extent to the far more favorable weather conditions as compared with last year. Following are the figures for the whole of January, and the last ten days of the month, now reported for the first time:

	Jan. Gross 1919	Increase	P.C.
C.P.R.	$12,097,000	$1,527,000	14.4
G.T.R.	4,402,229	1,425,891	47.9
C.N.R.	6,744,018	2,047,451	43.6
Totals	$23,243,247	$5,000,342	27.4

	Last 10 Days	Increase	P.C.
C.P.R.	$4,101,000	$566,000	16.0
G.T.R.	1,428,095	445,903	45.4
C.N.R.	2,488,154	782,274	45.9
Totals	$8,017,249	$1,794,177	28.8

The gross figures for January run far ahead of all previous records, and are more than double 1915.

Jan.	Aggregate gross
1919	$23,243,247
1918	18,242,905
1917	17,450,988
1916	14,724,216
1915	10,758,213
1914	13,056,233
1913	15,080,648
1912	11,851,386
1911	9,853,839

SAWYER-MASSEY

The announcement this week that with the continuation of the free rule of cheaper, farm implementhrdlu p64Bl-f cheaper farm tractors there would be a remission of duty on raw materials has a direct bearing upon the affairs of the Sawyer-Massey Company, which has devoting itself largely to the production of these machines. Mr. Harmer has several times objected bitterly against the unfair ruling which removed the tariff on the finished product without taking it off the raw materials, stating that a continuation of such conditions would probably mean the removal of the plant to the United States.

TOOKE BROTHERS

The first sales of the year of Tooke preferred found a market easing from 72¼ to 70. The last previous sales were early in September at 76.

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LONDON
Smoking Mixture
The art of blending tobacco has reached the zenith of perfection in Piccadilly Smoking Mixture.
30¢ PER PACKAGE

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Our staff of efficiency engineers and specialists in ORGANIZATION, PRODUCTION, SALES DEVELOPMENT, ACCOUNTING COSTS AND STANDARDIZATION.
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CHARTERED ACCOUNTANTS
Factory Costs and Production Statistics
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ROYAL INK POWDER
SIMPLY ADD WATER · NON-CORROSIVE · NON-FADING
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The Value of Experience
A Trust Company's Officers are specially trained and experienced in the handling of Trust Funds—that is their business. All transactions in the administration of an Estate are the result of careful consideration by the Trust Company's Officers, guided by the Board of Directors. Every Estate administered by the Trust Company is benefited by the experience of its Directors.
From the date of its appointment, the Trust Company is a tried and experienced Executor. It does not require to gain experience at the expense of the Estate.
Appoint this Company your executor.
Montreal Trust Company
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If John had only known!
THIS is one of the consequences of taking things for granted in the vital matter of your will.
This lady's husband assumed that because he had a will in existence that all was well. To the widow, it means the loss of all but her "one third" of the estate.
The will being void means a long delay while the estate is tied up in the courts. It may mean an executor quite objectionable to those vitally concerned. It costs more to wind up the estate than if there were a will.
Are you certain that your will is properly drawn? If not, you had better consult your lawyer forthwith. It is better to have your will administered by a trust company on clearly defined provisions than to just take things for granted—and face the possibility of the courts having to interpret your will.
As executors we offer you the courteous painstaking service of our several departments each specializing on different branches of administration. Write for folder "First steps in making your will."
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LIMITED
Head Office:
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Winnipeg London, (Eng.) 18

The Great-West Life Assurance Company

Held its Twenty-sixth Annual Meeting on February 4th, 1919

Attention is drawn to the following statements:

New Business issued, 1918	**$30,659,557**
Increase in new business	350,015
Business in force Dec. 31st, 1918	**170,863,673**
Increase for the year	18,220,508
Net Income for 1918	**7,129,106**
Increase for the year	691,786
Assets, Dec. 31st, 1918	**27,432,824**
Increase for the year	3,047,158

The expense rates were again lowered in 1918, and the interest rate earned was 7.16%. In addition to the actual reserves, the balance sheet shows, in surplus, capital and special funds, the sum of $4,142,507, being over 15% of the assets.

This is after paying policyholders profits of $610,648, and providing for death claims of $2,012,240.

Canadian Government Bonds held Dec. 31st, 1918, $4,772,458 (in addition $1,190,000 have since been paid for, the total of nearly six million dollars, being 23% of ledger assets).

The Great-West Life has earned a reputation for prompt payment of claims and large profits to policyholders.

HEAD OFFICE - - WINNIPEG

IMPERIAL MUNITIONS BOARD OFFER FOR SALE

PLANT AND EQUIPMENT (IN PART) OF

British Chemical Co. Ltd., Trenton, Ont.

TENDERS accompanied by marked cheque for 5 per cent. of the amount of the bid will be received by the undersigned up to and including February 27th, 1919, for the purchase of the following, located at Trenton, Ontario:

ITEM No. 1. SULPHURIC ACID CHAMBER PLANT—2 Complete Pratt Patent Sulphuric Acid Chamber Plants equipped with Glen Falls sulphur burners and pyrite burners, cap. 31,000 pounds of sulphur and 40 tons pyrites per day. Chamber space, 200,000 cubic feet. Capacity of unit 60 tons of 60 deg. sulphuric acid per day.

ITEM No. 2. SULPHURIC ACID CONCENTRATOR—This plant consists of 8 Skoglund Concentrating Units complete. Each unit has an operating capacity of 25 tons, 66 Deg. Sulphuric Acid per 24 hours.

ITEM No. 3. NITRIC ACID PLANT—Consists of 24-6000 pounds Cast Iron Retorts, oxidising and absorption towers. This plant has a nitre storage of 2,000 tons capacity and 2 rotary soda dryers. Acid mixing house attached to this plant is equipped with 9 horizontal mixing tanks.

ITEM No. 4. SMOKELESS POWDER PLANT—(a) Manufacturing Line—A complete plant for the manufacture and finishing of smokeless powder, operating capacity of the line 50,000 pounds per day.

(b) Ether Alcohol System—Complete Badger equipment for the manufacture of ether, consisting of 3 sets of Dephlegmators columns and condensors with 2 ether pots per set. Three complete alcohol rectifying units, capacity 30,000 pounds per unit per 24 hours. Alcohol storage for 1,500,000 pounds, with equipment for denaturing the same.

(c) Refrigerating Systems—2 Refrigerating plants, one consisting of 2-25 ton units and the other consisting of 1-50 ton unit, both complete in detail.

ITEM No. 5. LAND—255 Acres—The Plant is situated on the Trent River—5 miles standard gauge track (leased) connecting with the C.P.R., C.N.R. and G.T.R. 2 Miles narrow gauge (owned).

There is available 6,000 electric H.P. with the necessary electric installation. The plant is completely equipped with the required auxiliary buildings, such as store houses, shops, office buildings, together with housing facilities.

Tenders will be considered for any one or all of the above items, together with any of the auxiliary buildings.

Intending purchasers will be given every facility to inspect the buildings and equipment. Complete information may be obtained from the undersigned.

The highest or any tender not necessarily accepted.

Cheques from unsuccessful bidders will be promptly returned.

R. HOME SMITH
18 KING STREET WEST, TORONTO, ONT.
Phone, Ad. 1590

When selecting a Trust Company as an Executor, choose one whose fixed policy is to give

FINANCIAL ASSISTANCE

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The Imperial Canadian Trust Co.

EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.

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Please Ask Questions

IF you, as a subscriber to THE FINANCIAL POST, desire information on any Canadian security, or other financial matter, you have the privilege of requesting it from the publishers of THE POST. Enquiries are treated confidentially and are answered by mail. Please enclose stamp for reply.

COBALT MINING CO. TO ACQUIRE A B.C. PROPERTY

Temiskaming Mining Company Makes Interesting New Departure

A PROMISING MINE

Property to be Purchased Located Some Distance North of Prince Rupert, and is a Silver Property

It has usually been the progress for Cobalt mining companies to seek new properties in other Northern Ontario fields, but the Temiskaming Mining Co. has made a somewhat new departure in jumping to British Columbia for a fresh property on which to extend its operation. At the annual meeting of Temiskaming shareholders this week, which by the way was somewhat slimly attended, the management were authorized to take the necessary steps to acquire the Dolly Varden Mine, a developed silver property located at Alice Arm, 96 miles north of Vancouver.

Both J. P. Bickell, the President, and Engineer Kaeding, of Dome Mines, who have examined the Dolly Varden, gave unreserved support to the proposed purchase. The mine was described as having more than 88,000 tons of ore averaging 18 ounces, which at one dollar an ounce would give $1,601,654, or a profit of $900,000. This ore could be taken out in two years. The owners of the mine had run out of funds with which to complete the building of a necessary railway line, and the Temiskaming Company, in return for assuming their liabilities, would get a first mortgage on all the property. Already about $600,000 had been spent on the railway, a little more than 16 miles having been built, and the half-mile remaining could be built at a cost of about $60,000. In all, the Dolly Varden vendors had spent upwards of $700,000, but confidence was expressed by the speakers that the Temiskaming could clear away all the obligations in two years and thereafter own the property in fee simple. The extension of the railway line to another promising property two miles farther was under consideration, but the whole deal was contingent upon the legislature of British Columbia granting a new charter for the railway, the old one having expired on Dec. 31 last.

The Purchase Price

While the Dolly Varden will cost $900,000, which is approximately the amount of the Temiskaming surplus, it will not be necessary to use any of the surplus for the purpose. As explained by Mr. Bickell, no payment is to be made to the vendors of the Dolly Varden other than from the revenue to be derived from ore shipments from the mine itself.

With regard to the Temiskaming itself, Mr. Bickell said there was little hope that the old mine would enjoy any extensive lease of life, even though finds might be made from time to time.

He gave the interesting information, however, that last Friday a small pillar of rich ore had been found in the northern part of the property, and estimated that it contained about 400 tons of ore, so that the ore reserves which before the discovery were placed at only 30,000 ounces in milling rock could now be fixed at about 200,000.

There was an echo of the bitter controversy of a year ago over the proposal of the former Temiskaming management to purchase an interest in the Kirkland Lake Company from the Beaver, when Mr. Wills moved that Max Morganstern be recouped for his outlay in fighting that programme in the courts. On a vote of 12 to 6 the directors were authorized to pay Mr. Morganstern a sum not to exceed $5,500.

The old board of directors was re-elected.

TOUGH-OAKES

Following the settlement of the Tough-Oakes liquidation and the establishment in office of the new board of directors, it is rumored that there will be an amalgamation of the Tough-Oakes Gold Mines with the Burnside and Sylvanite properties adjoining. Such a plan is looked upon with much favor as an amalgamation of the three properties would be beneficial to each.

OPHIR MINES

Some misundrestanding is reported as to the effect of the shareholders' meeting last week. This was not held to ratify a sale of the property to the Nipissing, but merely to ratify an option to the latter company. The Nipissing will do development work for six months and then, if the results justify such action, they will exercise their option. At the meeting 1,168,000 shares were voted in favor of granting the option, out of a total issued capital of 1,368,000 shares.

DIVIDEND ACTION ON MURRAY-KAY

Arrangements For Reorganization Have Been Satisfactorily Worked Out

The Financial Post understands that business conditions have been satisfactory with the Murray-Kay company under the present administration and that the first dividend will be declared at a meeting to be held in the near future.

It is reported that all arrangements in connection with the re-organization have been satisfactorily worked out with the unanimous support of the shareholders. The reorganization as announced in August called for the wiping out of the common stock of the old company and the reduction of the preferred to one-half—there was $1,500,000 of each outstanding. The preferred thus reduced to $750,000 was increased by a new issue of $250,000, which was sold at par with a bonus of two shares of common, thus absorbing a common issue of $500,000.

INTERNATIONAL NICKEL

At a meeting of the directors of International Nickel on Monday a dividend of 50 cents for the quarter on the common stock was declared, this being just half the former dividend. After the meeting it was stated that the reduction in dividend was ordered in view of the uncertainty of business conditions during the period of readjustment, and because it was deemed desirable to create a large reserve for taxes.

PETERSON LAKE

The shareholders of the Peterson Lake Mining Company at a meeting held in Toronto unanimously approved the decision of the directorate to issue $100,000 preferred shares at par in order to secure funds to carry on the work of development. The shareholders will be given 30 days in which to take up their allotment. No difficulty is anticipated in placing all the new shares, as applications have been pouring in.

CONSOLIDATED SMELTERS

The management of the Consolidated Mining and Smelting Company of Canada, Limited, announces that the recent offering of $3,000,000 in bonds has been fully subscribed by the shareholders. These debenture bonds bear interest at the rate of 7 per cent. per annum and were offered pro rata in proportion to the number of shares held. The holders after January 1, 1924, have the privilege of converting the bonds into stock of the company par for par. The company will now be able to proceed with the extension of the power development of its subsidiary, the West Kootenay Power & Light Company, Limited, and with the increase of the capacity of its copper refinery from 20 to 50 tons per day, projects which it is estimated will involve an expenditure of $1,500,000.

DIVIDENDS

Company	Date	Rate	Record
Penmans, com.	Feb. 15	1½%	Feb. 5
Kaministiquia Pr.	Feb. 15	2%	Jan. 31
Can. Converters	Feb. 15	1¼%	Jan. 31
Sterling Bank	Feb. 15	1½%	....
Dominion Bridge	Feb. 15	2%	Jan. 31
Ont. Steel Prod., pref.	Feb. 15	1¾%	Jan. 31
Montreal L., H. Cons.	Feb. 15	1%	Jan. 31
Montreal L., H. & Pr.	Feb. 15	2%	Jan. 31
Cedar Rapids	Feb. 15	¾%	Jan. 31
Can. Foundries, com.	Feb. 15	3%	Jan. 31
Do., pref.	Feb. 15	1¾%	Jan. 31
Riordon Pulp, com.	Feb. 15	2½%	Feb. 11
Can. Cement, pref.	Feb. 16	1¾%	Jan. 31
B.C. Packers, com.	Feb. 21	2½%	Feb. 8
B.C. Fish	Feb. 21	1¼%	Feb. 8
Bk. of Hamilton	Mar. 1	3%	Feb. 20
Union Bank	Mar. 1	2½%	Feb. 14
Bk. of Commerce	Mar. 1	3%	Feb. 13
Bk. of Montreal	Mar. 1	3%	Jan. 31
Home Bank	Mar. 1	1¼%	....
Royal Bank	Mar. 1	3%	Feb. 15
Bk. of Toronto	Mar. 1	3%	Feb. 12
Bk. of Hochelaga	Mar. 1	2¼%	Feb. 15
Detroit-United	Mar. 1	2%	....
Montreal Loan	Mar. 15	2½+1	Feb. 28

UNLISTED SECURITIES

STOCKS—	Bid	Ask
Alberta Pac. Grain, com.	115	125
Do., pref.	85	95
Belding Paul, com.	25	27
Do., pref.	79	85
British Amer. Ass.	9	..
Canada Machinery, com.	15½	19
Do., pref.	46	53
Carriage Factory, pref.	38	45
Can. Westinghouse	105	110
Canadian Oil, com.	44	46
Do., pref.	96	..
Can. Mortgage	67½	74½
Dom. Manufacturers, pref.	42	55
Dom. Pr. & Trans., com.	42	47
Eastern Car, pref.	48	55
Great West Life	220	230
Guelph & Ont. Invest.	...	90
Home Bank	75	78
Imperial Oil	345	365
Illinois Traction, pref.	71	75
Inter. Milling, pref.	85	88
A. Macdonald, pref.	95	98
Lambton Golf	380	425
Loew's Theatre, pref.	82	90
Maritime Coal, com.	15	21
Wm. Neilson, com.	54	..
Sterling Coal, com.	14	16
Sterling Bank	91	95
Standard Reliance	40	44
Tooke Brothers, pref.	69	72¼
Trust & Guarantee	75	80
Southern Can. Pwr., pref.	45	53
Volcanic Oil & Gas	...	93
BONDS—		
P. Burns, 1924, 6s	99	105
Do., 1931, 6s	96	99
Canadian Cotton, 5s	79	83
Can. Steamship Bds., 5s	82	85
Carr. Factories, 6s	84	89
Dominion Canners, 5s	92	94
Elec. Development, 5s	87	92
Eastern Car, 5s	89	85
Mex. Northern Power, 5s	12	15
Morrow Screw, 6s	87	90
Nova Scotia Steel, 6s	88	91
Ontario Pulp, 6s	86	90
Porto Rico, 5s	74	80
Riordon Pulp, 6s	93	95
Span. River Pulp, 6s	87	92
Sterling Coal, 6s	71	78
Sao Paulo, 5s	80	85
Stone Limited, 6s	90	95
Toronto Power, 5s	87	92
Tor. & York Radial, 5s	96	97½
Toronto Paper Co., 6s	88	92

DETROIT UNITED UP $1,500,000 NET DECLINES

Higher Fares Just Balanced Up Greater Operating Costs

EARNED 13.9 PER CENT.

Or 8.9 Allowing For Taxes, Reserve, Etc. — Interesting Figures on Passengers and Detailed Revenue

The gross earnings of the Detroit United Railway and subsidiary companies for the year 1918 showed an increase of over $1,500,000 over 1917, being $19,014,018, compared with $17,427,940, but operating expenses increased from $13,259,790 to $14,758,339, or $1,500,000, and interest on funded and floating debts, and taxes rose from $2,404,355 to $2,610,831, the two increases wiping out all the increase in gross earnings and leaving net income for the year of $2,094,584, compared with $2,175,530 in 1917. The amount credited to depreciation reserve, however, was reduced from $800,000 in 1917, to $600,000, so that the balance transferred to surplus account stood at $144,584, as against $106,780 in 1917. Before reserves and taxes were deducted the amount available for dividends on the capital stock of $15,000,000 was equal to 13.9 per cent., or with these amounts deducted, 8.9 per cent.

The influence of the increased fares on portions of the line outside the inner city, from 7 for 25 cents to 5 cents straight, is seen in the fact that while the number of passengers declined from 356,208,429 to 319,843,176, the gross earnings from passengers rose from $16,370,239 to $17,696,781, or over $1,300,000.

The following figures show comparisons of the profit and loss account for the two years:

	1918	1917
Gross earn.	$19,014,018	$17,427,939
Expenses	14,758,339	13,259,790
Net earn.	$ 4,255,678	$ 4,168,149
Add other inc.	449,736	411,737
Total income	$ 4,705,414	$ 4,579,886
Less inter., etc.	2,610,830	2,400,355
Less deprec. res.	$ 600,000	$ 800,000
Less federal taxes	150,000	150,000
Less dividends	1,200,000	1,118,750
Bal. surplus	$ 144,584	$ 106,780

The capital expenditure for the year amounted to $1,079,277, compared with $2,999,220 in 1917. Current assets, including cash of $270,387, amount to $556,738, and current liabilities to $3,236,734, including notes payable of $1,138,230, and audited vouchers of $1,265,380. Bonded and debenture debt rose from $35,326,500 to $35,851,500. During the year underlying bonds were reduced from $7,580,000 to $7,105,000.

Below are given some further details and comparisons:

Gross Earnings	1918	1917
Passenger	$17,696,781	$16,370,239
Express	1,265,311	1,000,869
Mail	12,433	11,748
Special car	39,492	45,083
Total	$19,014,018	$17,427,940
Passenger Statistics	**1918**	**1917**
Revenue pass.	319,843,176	356,208,429
Transfer pass.	303,608,353	119,962,125
Employee pass.	7,416,741	8,557,264
Total pass.	430,868,270	484,727,818
Rec'pts rev. pass.	.0553	.0459
Rec. per pass.	.0410	.0337
Mileage Statistics		
Car mileage	53,931,394	58,957,941
Earn. car mile	.3526	.2956
Expens. car mile	.2736	.2249
Net earn car mile	.0790	.0707

The directors have declared the regularly quarterly dividend at the rate of 8 per cent. per annum, payable March 1, to stockholders of record, February 13.

COST OF THE WAR

Direct Expenditures on Conflict Estimated at £40,000,000,000

LONDON.—The direct cost of the war is estimated at £40,000,000,000 in a special article in the "Daily Telegraph." The author estimates the indirect cost of diminished trade and financial disturbance at £50,000,000,000.

The total assessment of Ottawa for the year 1918, upon which is based the tax rate for this year, was $158,346,717, while the total taxable assessment was $114,392,261, an increase of $8,070,026 on the previous year.

Hollinger Consolidated Gold Mines, Limited

(No Personal Liability)

DIVIDEND NO. 64

A DIVIDEND of 1% upon the outstanding capital stock has been declared payable 25th February, 1919, on which date cheques will be mailed to shareholders of record at the close of business on 10th February, 1919.

D. A. DUNLAP,
Secretary-Treasurer.

Dated February 7th, 1919.

There May Be Unexpected Value In Your Unlisted Securities

Let us place a valuation on your holdings and advise you as to their future possibilities.

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T. A. Richardson and Company
INVESTMENT BANKERS
Royal Bank Bldg., Toronto

DIVIDEND NOTICES

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter payable on and after Saturday, the FIRST DAY OF MARCH next, to Shareholders of record of 31st January, 1919.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 21st January 1919.

The Royal Bank of Canada

DIVIDEND No. 126

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Saturday, the first day of March next, to shareholders of record of 15th February.

By order of the Board.

C. E. NEILL,
General Manager.

Montreal, Que., January 14, 1919.

The Canadian Bank of Commerce

DIVIDEND No. 128

NOTICE is hereby given that a dividend of Three per cent. upon the capital stock of this Bank, being at the rate of twelve per cent. per annum, has been declared for the quarter ending 28th February next, and that the same will be payable at the Bank and its Branches on and after Saturday, 1st March, 1919, to shareholders of record at the close of business on the 13th day of February, 1919.

By order of the Board,

JOHN AIRD,
General Manager.

Toronto, 17th January, 1919.

DEBENTURES FOR SALE

TOWN OF

PEMBROKE, ONT.

Tenders for Debentures.

SEALED Tenders will be received by the undersigned up to 3.00 P.M. Feb. 10th, 1919, for the purchase of $50,000.00 of 6%, 30-year debentures, payable in equal annual instalments.

Further information may be obtained on application to

W. J. MOORE,
Acting Clerk.

Pembroke, Ont.

THE RIORDON PULP & PAPER COMPANY, LIMITED

COMMON STOCK DIVIDEND No. 12

NOTICE is hereby given that a quarterly dividend of 2½% has been declared on the Common Stock of the Company for the quarter ending December Thirty-first, 1918, payable February fifteenth, 1919, to shareholders of record at the close of business on February eleventh, 1919.

By order of the Board.

F. B. WHITTET,
Secretary-Treasurer.

Montreal, January 31st, 1919.

CANADIAN STOCKS

Quotations of listed Securities on the Montreal and Toronto Stock Exchange, with prices at closing of Feb. 8. In stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active (Reserve Funds, Profit and Loss, include all Reserves except "Depreciation.")

BANKS

Capital Stock Outstanding	Reserve Fund	Profit and Loss	Net Earnings % 1917	Dividends 1915	1916	1917	Last Dividend Date 1918-19	Rate	Yield to Jan. 30	BANKS	Range 1915 High	Low	Range 1916 High	Low	Range 1917 High	Low	Range 1919 to Jan. 30 High	Date	Low	Date	Close Feb. 7 1918 Ask	Bid	Close Feb. 6 Ask	Bid	Week ending Feb. 6 High	Low	Close	Sales	Montreal Minimum
4,866,666	3,017,333	428,844	13 70	7*	7	8	5th Oct.	s. 4	4.84	British North America	145	145	112	110	112	112													112
15,000,000	13,500,000	1,332,074	17 58	10+2	10+2	10+2	3rd Dec.	2½+1	4.73	Commerce	205	203	203	183	188	182½	215	Jan. 9	201	Jan. 2	185		209	206	212	205	208	134	185
6,000,000	7,000,000	393,004	17 75	12	12	12	2nd Jan.	q. 3	5.47	Dominion	229½	227	220	204	212½	202	219	Jan. 20	210	Jan. 3			217	215	215	215	215	4	202
3,000,000	3,300,000	232,421	19 95	12	12	12	2nd Dec.	q. 3	6.00	Hamilton	208	201	197	246¾	192	184	209	Jan. 15	200	Jan. 9		184	203		205	200	201	127	184
4,000,000	3,700,000	45,022	14 13	9	9	9	3rd Dec.	q. 2¼	5.08	Hochelaga	150	149	149	145	145	140	148	Jan. 15	147	Jan. 13	140				148	148	148	78	140
7,000,000	7,000,000	1,204,942	16 92	12	12	12	1st Feb.	q. 3	5.76	Imperial	214	210	203	180	200½	185	210	Jan. 20	202½	Jan. 2									185
1,946,806	300,000	145,238	11 15	7	5	5	2nd Dec.	q. 1¼	4.42	Home Bank																			
7,000,000	7,000,000	437,973	17 66	10	10	10	1st Feb.	q. 2¾	5.78	Merchants	180	180	180	150	170	167	190	Jan. 14	180	Jan. 2	167			190	192	190	190	5	167
4,000,000	4,800,000	151,826	15 38	11	11	11	2nd Jan.	q. 2¾	5.64	Molsons	202	200	195	182	186	179½	200	Jan. 17	179½	Jan. 3									179¾
16,000,000	16,000,000	1,664,893	15 48	10+2	10+2	10+2	2nd Dec.	q. 2½+1	4.82	Montreal	240	234	240½	219	234	210	216½	Jan. 21	215	Jan. 11	210		216	213	212¾	212	212	133	210
2,000,000	2,000,000	59,965	20 88	8	8	8	1st Feb.	q. 2½	6.08	Nationale	132¾	132¾	134	134	149	134													148
6,500,000	12,000,000	560,269	19 92	14	14	14	2nd Jan.	q. 3½	5.18	Nova Scotia	265	261	261	254	257½	248½	272	Jan. 29	255	Jan. 4	248		270		270	270	270	16	201
4,000,000	4,750,000	118,179	15 40	12	12	12	2nd Dec.	q. 3	5.82	Ottawa	207	207	204	202	202	200	206	Jan. 7	203	Jan. 4				205	208	208	208	39	198
12,911,700	14,000,000	564,264	18 02	12	12	12	2nd Dec.	q. 3	5.56	Royal	223	221¼	221¼	210	214	208	214	Jan. 2	211½	Jan. 30	208		212½		212	210	210	54	208
3,463,240	4,453,290	175,216	19 08	13	13	13	1st Feb.	q. 3¼	6.19	Standard	220	215	221	211¼	215	200	215	Jan. 13	209½	Jan. 7	200		209		210	209	209	52	200
1,216,922	350,000	[illegible]0,873	15 38	6	6	6	15th Nov.	q. 1½	6.12	Sterling	98½	98																	
5,000,000	6,000,000	555,306	16 05	11	11	11	2nd Dec.	q. 2¾	5.47	Toronto	211	207	215½	190	192	187½	203	Jan. 27	193	Jan. 6			206	204	205	204	204	27	187
5,000,000	3,400,000	106,624	15 26	8+1	8+1	8+1	2nd Dec.	q. 2½	5.62	Union	140½	140	140	132	142	135	171	Jan. 7	160	Jan. 24			161	160	160¼	159	160	251	136

TRANSPORTATION—RAILWAYS, NAVIGATION AND STREET CARS

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	1916	1917	Last Dividend Date	Rate	Yield	Company	1915 High	Low	1916 High	Low	1917 High	Low	1919 High	Date	Low	Date	Feb. 7 1918 Ask	Bid	Feb. 6 Ask	Bid	Week High	Low	Close	Sales	Montreal Minimum
27,450,000	8,483,500	50,867,325							Barcelona, T. L. and P.	17⅝	7¾	17	19	27	8	13¼	Jan. 10	10½	Jan. 30	9⅛	9	10⅜	10⅛	10¾	10⅛	10⅛	540	
106,417,800		7,500,000	5,190,986	4	1	1st Mar. 17	q. 1		Brazilian Traction L. and P.	39¾	45	62⅝	43	47¾	31¾	55	Jan. 16	50⅞	Jan. 30	36	35	51⅛	50⅜	51	50	51	165	32
	10,000,000			6	6	1st Jan.	q. 1½		Brazilian Traction, Pref.																			
12,000,000		7,896,366	2,374,754						Canada Steamships Lines, Com	20	6	45	16	45⅝	29¾	45⅞	Jan. 2	42¼	Jan. 14	42	41¾	44¾	44⅜	45	41⅛	45	1,292	39⅛
	12,500,000			5¼	19.83	2nd Jan.	q. 1¾	8.97	" " " Pref	76½	59	95½	89¾	93¾	71	79⅛	Jan. 22	78	Jan. 3	77	76¾	78	77⅛	78⅛	77⅛	7*	627	72½
260,000,000	90,681,921	271,934,882	240,909,813	10	10	1st Jan.	q. 2½	6.25	Canadian Pacific Railway	195⅛	139¾	182½	163¾	167⅛	127¾	160	Jan. 9			146¼	145⅛							
15,000,000		35,326,500	7,978,243	6¾	7¾	1st Dec.	q. 2	6.66	Detroit United	73	62	128½	69	128	104¾													102½
3,500,000	1,500,000	3,500,000	622,620		2	2nd Jan.	s. 1	4 87	Duluth Superior Traction Co., Com.	60	55	49	37	51	40					41								41
12,331,000		4,562,000	1,726,008	3	3				Illinois Traction, Com.																			35
	7,289,500			6	6	2nd Jan.	q. 1½	7.50	Illinois Traction, Preferred	93	91	91	87¾	89	79									80	80	80	10	80
20,000,000		16,381,333				1st Nov.'13	q. 1¾		Mexico Tramways Co.																			
25,206,800	12,603,400	87,369,600	19,911,878	7	7	15th Oct.	s. 3½		Minn., St. P. and S.S.M., com	126¾	116½																	
3,394,300		35,608,153	1,256,449	10	10	2nd Jan.	q. 2½	6.66	Montreal Tramways	220	220			181	144													150
9,000,000	4,465,500	14,075,000	2,428,908	5	5	15th Sept.	q. 1¼	6.84	Northern Ohio Traction	73	73																	
3,000,000		3,931,666	173,084			1st Oct. '14	p. 1		Porto Rico Railways Co., Com.	51	45	49½	30	42	30								30	33	33	33	20	
	1,000,000			7	7	1st Jan.	q. 1¾	8.75	" " " " Pref.			38		80	80													
5,999,500		10,797,000	684,572			15th Jan.'12	q. 1 p		Quebec Railway L., Heat & P. Co.	20½	9⅛	45	14	35½	14¾	19	Jan. 21	18	Jan. 17	18¾	18⅛			18	18	18	80	15
12,000,000		2,957,200	6,273,472	8	8	2nd Jan.	q. 1	8.88	Toronto Railway	117½	111	111	72	90½	58½	55	Jan. 4	44	Jan. 28	60⅛	59	47½	46½	48	45	47	125	58
22,000,000	3,000,000	20,263,000	1,285,804	6	6	2nd Jan.	q. 1	10.00	Twin City, common	101	93	101	93⅜	95	53	44½	Jan. 30	39	Jan. 2	66	65	47	45¾	46	44½	46	226	
9,000,000		10,880,000	1,407,658			1st Jan.'16	q. 2½		Winnipeg Electric	186½	180	110	90	81	36	45	Jan. 4	35	Jan. 16				40½	44	36	44	98	48

TELEGRAPH, LIGHT AND POWER UTILITIES

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	1916	1917	Last Dividend Date	Rate	Yield	Company	1915 High	Low	1916 High	Low	1917 High	Low	1919 High	Date	Low	Date	Feb. 7 1918 Ask	Bid	Feb. 6 Ask	Bid	Week High	Low	Close	Sales	Montreal Minimum
18,000,000		11,149,000	2,181,025	8	8	15th Jan.	q. 2	6.15	Bell Telephone	159	140	152	140	150	129	130	Jan. 2			130		130		129⅛	129½	129½	7	125
5,336,340				10	10	2nd Jan.	q. 2½	6.66	Consumers Gas	185	176	176	160	165½	147	150½	Jan. 20	150	Jan. 4	147			150	151	151	151	50	144½
1,900,000		2,999,813	177,747						Calgary Power																			
41,380,400			1,918,452	5	1¼	2nd Jan.	q. 1¼	8.21	Mackay, common	70¾	65	69¾	64½	90	70¾	75¼	Jan. 3	71½	Jan. 23	77	76	75	74¾	75⅜	73¾	75¼	509	
	50,000,000			4	4	2nd Jan.	q. 1	6.15	" preferred	46	46	15	15	68	59	65½	Jan. 10	64¼	Jan. 28	60⅛	59⅛	65	64½	65¼	64⅞	65	30	
13,585,000	6,000,000	21,073,833	318,522			30th Dec.'13	th.q.1		Mexican Light and Power Co., com																			
63,965,800			1,585,313		4	15th Nov.	q. 1	4.65	Montreal L., H. and Power Cons					82⅞	67½	88¼	Jan. 2	85½	Jan. 23	74½	74½	85¾	85⅝	88	84½	88	5,304	68¾
3,483,520		1,275,000	805,499	6	6	1st Jan.	q. 1½	8 00	Ottawa, Light, Heat and Power Co.	123	120	95¾	92	92	69¾	80½	Jan. 30	75	Jan. 18	69				80	80	80	70	69½
15,000,000		12 8 8 761	2,992,348	7	7	10th Jan.	q. 1¾	6.08	Shawinigan Water and Power Co.	139½	110	137	126¾	130½	107	116½	Jan. 17	114½	Jan. 13	113	112¼		114½	115½	115	115⅝	316	107¼

INDUSTRIALS AND MISCELLANEOUS

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	1916	1917	Last Dividend Date	Rate	Yield	Company	1915 High	Low	1916 High	Low	1917 High	Low	1919 High	Date	Low	Date	Feb. 7 1918 Ask	Bid	Feb. 6 Ask	Bid	Week High	Low	Close	Sales	Montreal Minimum
5,000,000	1,000,000	5,953,200	632,047	1¾	7	2nd Jan.	1¾	14.00	Abitibi Power and Paper, com.					58½	48	50	Jan. 23	48	Jan. 3	50			50	51⅝	51⅝	51⅝	100	48
6,514,000	7,895,200		525,402						Amer. Cyanamid, com.					30	19													
3,500,000		1,563,666	597,408						Ames Holden McCready Co., com.	23	7¾	35	19⅛	23½	12	29	Jan. 17	26	Jan. 3			30	28½	28⅛	28¼	28¼	210	15⅜
	2,500,000					1st July '14	q. 1¾	9.33	" " " pref.	75	55	80½	52	61	47	76¾	Jan. 22	65⅜	Jan. 2			76	74	74½	73½	74½	149	47¼
4,265,600				4	4	21st Nov.	q. 1¼	10.41	British Col. Fish, com.					56	35	49	Jan. 6	48½	Jan. 6			42¼	46	48½	48	48½	64	38½
7,000,000	2,000,000	1,524,000	319,825		5	7th Nov.	1¼	8.33	Brompton Pulp and Paper, com.					59	38	61	Jan. 7	58½	Jan. 22	48		58	57	56⅝	56	57¾	397	39½
750,000			497,863	6	6	2nd Jan.	q. 1½	7.50	F. N. Burt Company, com.	72½	70	88	72	82	65	81	Jan. 27	71	Jan. 13				86	82	82	82	50	63
	1,975,200			7	7	2nd Jan.	q. 1¾	7.60	" " " pref.	75	89	96	86	93⅛	86	92	Jan. 22	90	Jan. 22	86				91½	91	91	27	84
2,500,000		3,750,000	153,523		2	2nd Jan. '17	2		Canada Bread, com.	31½	29	30	16½	20	13	23½	Jan. 11	21⅞	Jan. 25			22⅛		22	21¼	21⅛	50	
	1,250,000			7	7	2nd Jan.	q. 1¾	8.33	" " pref.	90¾	90	90	87	86½	80	85	Jan. 18	84	Jan. 18				84	84½	84	84	21	83
13,500,000		7,055,073	3,746,999	4½	6	10th Jan.	q. 1½	9.37	Canada Cement, com.	48½	28	73	37¾	69⅞	52	66½	Jan. 33	64	Jan. 30	58	57	63½	62¾	64¾	63	63	275	55½
	10,500,000			7	7	16th Nov.	q. 1¾	7.29	" " pref.	98½	89¾	9	86	95¾	90	96½	Jan. 20	95	Jan. 2	90				95⅛	95	95	118	90¾
4,963,700		5,385,603	3,340,063			2nd June '14	s. 2		Canadian Car and Foundry, com.	120	50	75	32	46⅝	17	31½	Jan. 4	28	Jan. 2	24		30¼	28½	31⅛	36	31	560	18½
	7,500,000					10th Jan.	q. 1¾	8.53	" " " pref.	127	98	94	1¾	89	49	85⅞	Jan. 6	82	Jan. 23	58⅛				84	83½	83½	29	49½
1,733,500		399,000	541,711		3	15th Nov.	q. 1½	10.63	Canadian Converters	34	34	46	34	43	39	47	Jan. 25											43½
2,715,500		4,688,000	1,948,109	3	4	4th Jan.	q. 1½	8.82	Canadian Cottons, Limited com.	40	24	65	39	56	46½	68	Jan. 6	68	Jan. 6	52	50			76	76	76	121	48
	3,661,500			6	6	1st Jan.	q. 1½	7.89	Canadian Cottons, Limited, pref	77	71	82½	75⅛	82	75	76	Jan. 10											
1,600,000	1,500,000		1,340,439	3	9	15th Jan.	s. 3		Canadian Fairbanks-Morse, pref.	95	95																	15
960,000		366,100	1,128,281	10+9	12+3	15th Nov.	q. 3	6.25	Canadian Foundries & Forgings, co			217	170	205	150	192	Jan. 9											½
	960,000			7	7	15th Nov.	q. 1¾	7.21	" " " pref			90	85	84	82													
2,000,000		1,500,000	1,657,324		3	1st Jan.	q. 1½	9.67	Canadian Locomotive Co., com.	64½	30	64½	51	64	52½	63¼	Jan. 2	62½	Jan. 10	56½		63		61½	61½	61½	35	56½
	1,500,000			7	7	1st Jan.	q. 1¾	7.77	" " " pref.	90	78	99	81	91½	83	90½	Jan. 10	90	Jan. 14		82¾	90		90¾	90¾	90¾	10	82¾
2,805,500		9,500,000	4,305,934			15th Oct. '14			Can. Consolidated Rubber, com.	91	91	91	84	99¾	90													90
	3,000,000			7	7	31st Dec.	q. 1¾	7 14	" " " pref.	101	100	97	91	99¾	95	98	Jan. 16											97
8,000,000			4,466,293	8	8	2nd Jan.	q. 2	7.84	Canadian General Electric, com.	128	90¾	121	108	115⅛	99½	104½	Jan. 8	102¼	Jan. 22	103	102	102½	102	102½	102½	102½	11	99½
	2,000,000			7	7	2nd Jan.	s. 3½	6 36	" " " pref.	110¼	110	112	110	106	94½													
1,200,000		477,000	305,830						Carriage Factories, Limited, com.	53½	35½	44	29¾	25	9¾													15
	1,200,800					15th July '15	q. 1¾	10.00	" " " pref.	81	75	75	60															58
565,000		61,612	90,802	4		1st Oct.'16	q. 2		City Dairy, com.	100	98	98	89	30	30	48	Jan. 28						48	48	48	48	2	30
	700,000			5¼		2nd Jan.	q. 1¾	8.33	" " pref.	102	98	100½	92	70	60													60
6,500,000			1,679,591	8+12	9½+2	15th Nov.	q. 2	6.50	Dominion Bridge Co.	230	107	231½	160	170	125	123	Jan. 13											143
1,794,000		1,771,175	1,140,339			1st Apr.'14	q.		Dominion Canners, com.	35	31	22	15	26	19	39¼	Jan. 11	36	Jan. 17			37½	37	37	37	37	10	23¾
	2,290,600				7	2nd Jan.	q. 1¾	8.64	" " pref.			65	61½	78	65	82	Jan. 13	76	Jan. 10			87	81½	82	81½	82	40	
37,097,700	7,000,000	21,206,777	15,562,286		4½	1st Jan.	q. 1½	10.08	Dominion Steel Corporation, com.	51	19⅞	82	43	71¼	50¾	62½	Jan. 3	69	Jan. 30	59⅞	59¾	59½	59	59½	58¾	59½	1,142	50½
	5,000,000	13,861,880		7	7	1st Oct.	s. 3½	7.44	Dominion Iron and Steel, pref.	96	71	105	90	95	87⅛	95	Jan. 14	93½	Jan. 2	88⅛								88
15,000,000	3,000,000	6,162,000		7	7	1st Feb.	q. 1¾	7.44	Dominion Coal, pref	101	98	99	93	96½	85									98	98	98	10	94½
5,000,000		3,267,500	2,189,194	6	7	2nd Jan.	q. 2	7.92	Dominion Textile, com.	77	64	90⅛	74½	89	76½	104	Jan. 4	100½	Jan. 2	84⅜	84	100⅛	100	102	100	100	162	80¾
	1,940,600			7	7	15th Jan.	q. 1¾	6.93	" " pref	103	101	105	101	105	99½	101½	Jan. 4	101	Jan. 16					101½	101	101½	14	100
2,250,500		1,150,000	520,221						Goodwins, Limited, com	28	26	40	40											10	10	10	3	
	1,750,000					2nd July '14	q. 1¾	15.55	" " pref.			75	40	45	45	45	Jan. 11											45
747,500		236,000	1,141,337	6	6	2nd Jan.	q. 1½	6.00	Goulds Manufacturing Co., com.					100	100													100
	747,500			7	7	2nd Jan.	q. 1¾	7 00	" " " pref					100	100													100
6,265,005	500,000		905,614						International Petroleum					15.30	11.60	21 50	Jan. 27	19 25	Jan. 8	13.00								
40,000,000		8,294,000	4,541						Lake Superior Corporation	9⅞	9⅞			24	10¼													
2,100,000		900,000	831,883	8	8	2nd Dec.	q. 2½	6.06	Lake of Woods Milling Co., com.	137	129	136¼	122	130	120	145	Jan. 14	169	Jan. 10	125		164	160	160	160	160	35	120⅞
	1,500,000			7	7	2nd Dec.	q. 1¾	6 50	" " " pref	122	120	129	116	116	116	106¼	Jan. 16	106	Jan. 17									
9,600,000		656,443	1,783,458	8	10	2nd Jan.	q. 3	6.18	Laurentide Co.	198	160	217½	176	195	152	198	Jan. 4	192	Jan. 10	158		195	194	[illegible]54	192	194	75	152
1,750,000	1,300,000	1,038,600	365,852		2	10th Jan.	2		Lyall Construction Co., com.			93	25	80	53					68								62
3,000,000	1,766,800		190,908			30th June '13			A. Macdonald Co. com.	14	7	19⅛	10	15⅛	8	23	Jan. 9	21½	Jan. 10	15	14	22⅛	22¼	23	22	22	200	13½
2,500,000			1,572,508	9	22½	18th Jan.	q. 2½+1	8.00	Maple Leaf Milling, com.	68	30½	122	100	115	90	137¼	Jan. 2	121¼	Jan. 30	99		130½	129	131¼	122	130	1,074	86
	2,500,000			7	7	18th Jan.	q. 1¾	7.29	" " " pref.	98	88	108	93	103	91¾	96¼	Jan. 2	94½	Jan. 8	95	93½		97⅛	98	97¾	98	55	90¾
2,949,600		779,163	442,212	4	4	14th Dec.	q. 1	6.66	Montreal Cottons, Ltd., com.	56	51	63	50	58½	49	61	Jan. 22	58⅜	Jan. 9	50								50
	3,000,000			7	7	14th Dec.	q. 1¾	7 00	" " " pref.	100½	99	115	99	103	99	100¼	Jan. 16	100	Jan. 17									99½
1,275,000			527,504			1st Nov.'13	q. 1½		Monarch Knitting Co., com	27	25	40	25⅛	40	30	50	Jan. 28											30
	750,000			7	7	1st Feb.	q. 1¾	8 75	" " pref	82	82	83	80	81	80	80	Jan. 13	78	Jan. 6				78	78¼	78¼	78½	10	73
2,000,000			2,331,209						National Steel Car, com.					21	5	5¾	Jan. 9	5	Jan. 16			10⅛	9⅛	12	7	10	222	
	1,500,000			3½		15th Jan	q. 1¾		" " " pref					78	17	29	Jan. 30	18	Jan. 14				33	35½	28	32	275	
15,000,000		11,21[illegible],823	3,730,092		5+20	15th Oct.	s. 2½	8.33	Nova Scotia Steel, com.	107	45¾	154½	93¼	128	66	66	Jan. 6	60	Jan. 15	68		52	50	51	50	51	100	63⅛
	1,000,000			12	8	2nd Jan.	q. 2	7.61	" " " pref.	125	110	115	110	112	105	105	Jan. 10			100								
2,500,000		2,350,000	190,178	8+4	10½15	2nd Jan.	q. 3	5.45	Ogilvie Flour, com.	144	107	152	127⅞	158	137	224¾	Jan. 11	212	Jan. 9	150	148							140
	2,000,000			7	7	2nd Dec.	q. 1¾	6.54	" " pref.	120	113	116	44½	115	107	107⅛	Jan. 27	106	Jan. 13									
750,000		575,100	183,497						Ont. Steel Products, com.			45	19	34	18	28	Jan. 6	27¼	Jan. 4	29								22½
	750,000			5½	7+1¼	15th Nov.	q. 1¾+¾	8.97	" " " pref			91½	73	74	74													
650,000			38,026	2	2	1st Jan.	s. 1	5.08	Pacific-Burt Co., com.	31	28	29	20	40	28													34
	650,000			7	7	1st Jan	q. 1¾	9.09	" " pref.	88	80	83¾	77⅛	82	79													77¾
600,000			644,594	8+3	8+5	16th Sept.	4+2	7.75	Paton Manufacturing Co.					130	124													124⅜
2,150,600		2,000,000	2,807,867	4+1	4+1	15th Nov.	q. 1½	7.67	Penmans, Limited, com.	62	49	78	60	73⅛	64	80	Jan. 11	77½	Jan. 4	70				79	78	79	200	65
	1,075,000			6	6	1st Feb.	q. 1½	7.05	" " pref	83	82	90	82	86	81⅛	95	Jan. 3						84	84¾	82¾	84¾	245	81⅞
5,000,000		5,923,764	2,220,239	6	6	2nd Jan.	2	4.90	Price Bros.			132	60½	134	115	163	Jan. 21	150	Jan. 10									130½
4,500,000		2,036,600	1,851,813	3½+1	6+4	15th Nov.	q. 2½	8.54	Riordon Pulp and Paper, com.			150	59	127	106	117¼	Jan. 2			117¾		117¾		117¾	117¾	117¾	40	114¾
	1,000,000			7	7	31st Dec.	q. 1¾	7.44	" " " pref.					95	90	94½	Jan. 9	94	Jan. 4					96	96	96	105	96½
1,500,000		437,000	503,082	6	1½	1st Apr.	q. 1½		William A. Rogers, Ltd., com.	103	96	99	85	80	40													50
	900,000			7	7	1st Jan.	q. 1¾	7.77	" " " pref.	99	99	99	87	92	90													60
800,000			47,581		7	1st Aug.	q. 1¾	8.33	Russell Motor Car, com.	50	10	114	32	92	50													50
	1,200,000				29¾	1st Feb.	q. 1¾	9.33	" " " pref	76	25	139	66	122	72	75	Jan. 3	70	Jan. 10	70		79	75	80	80	80	7	68½
1,500,000		574,500	129,711						Sawyer-Massey Co., com	33	25	30	20	24	8													
	1,500,000					2nd June '14	q. 1¾		" " pref	76	69	134½	58	41	40													40
4,000,000		1,873,200	1,746,698						Sherwin-Williams, com.	57⅛	55	99⅛	53⅛	60	56	60	Jan. 3											60
	3,287,000			7	7	30th Dec.	q. 1¾	7.07	" " pref	100	98¾	100	97½	100	98	99	Jan. 6											99
8,750,000			377,944	6+1	6+2	1st Jan.	q. 2	6.40	Shredded Wheat, com.	102	92	140½	102¾	137¾	112	125	Jan. 13											109½
	1,250,000			6	6	1st Jan.	q. 1½	6.74	" " pref	99	93	120	95	95	95	99	Jan. 13											
1,062,500		300,000	114,473		4				Smith Paper Mills, Com.					74½	66													65
	475,000				7	15th Jan.	q. 1¾	8.97	" " " Pref																			
8,000,000		10,332,113	1,071,301						Spanish River Pulp Mills, com.	9⅛	3	24¼	3½	19	12⅛	18½	Jan. 3	17	Jan. 14	15	14	19	17	18	17	18	40	50
	5,699,100					15th July '13	q. 1¾		" " " pref.	35	35	70	29	59¼	47	67	Jan. 28	65	Jan. 3	50		66	64	65½	65	65½	125	
11,500,000		8,766,147	12,458,762	4	6	1st Feb.	q. 1½	10.17	Steel Co. of Canada, com.	48	8½	88¾	34¼	71⅛	47½	65½	Jan. 8	58¾	Jan. 30	54	53	59	58¼	59¼	57½	59	3,069	48
	6,496,300			10½	7	1st Feb.	q. 1¾	7.44	" " " pref.	95	69	107¼	82½	100½	84½	95	Jan. 6	93½	Jan. 10	84⅞	83	94	93	94	93	93½	295	82¾
1,250,000	3,602,700	1,111,736	154,402			1st June '14	3½		Standard Chemical, pfd							96	Jan. 2	94½	Jan. 9									
1,200,000		252,500	138,156			1st Feb.	1½+1	6,31	St. Lawrence Flour, com.					56	49													55
	575,000					1st Feb.	1¾		" " pref																			
650,000			149,379						Tooke Bros., com	18	16	25	16	19	19													19
	985,000			8¾	8¾	13th Dec.	q. 1¾	8.51	" " pref.			83	78	79	70								70	72¼	70	70	55	70½
750,000		500,000	254,089	5	6+4	2nd Jan.	s. 3	8.69	Toronto Paper Co.	45	25	96	44	90	72													65
2,500,000			337,933						Tuckett Tobacco, com.	29¾	29	25	23⅛	22½	17	24½	Jan. 13	22	Jan. 17			24½	23¼	24	24	24	20	18¾
	2,000,000			7		15th Jan.	q. 1¾	8.75	" " pref.	90	90	90	75	83½	78	80	Jan. 6											80
1,750,000		911,000	238,660			2nd Jan.	1½	10.00	Wabasso Cotton							60	Jan. 16	58	Jan. 3					60	60	60	89	
5,000,000		3,430,000	864,023						Wayagamack com	26½	26			97	50	55	Jan. 2	51	Jan. 7			51⅛	50¼	51⅛	51	51	220	50
7,718,600		470,000	1,303,540		7	2nd Dec.	q. 1¾	8.13	Woods Manufacturing Co., Ltd. com.	15	20	65	33	61	44	86¼	Jan. 18											53¾
	1,546,500			15¾	7	1st Jan.	q. 1¾	8.13	" " " pref	45	20	101	84	86	80													86

LOAN, INSURANCE AND FINANCIAL STOCKS AND MISCELLANEOUS

Common Stock outstanding	Bond Pref'd Stock or Debentures Outstanding and Int.	Reserve and Contingent P. & L.	Dividends 1917	Last Dividend Date	Per cent.	LOAN AND TRUST	Range for Year 1916 High	Low	Range for year 1917 High	Low	Latest Price Ask	Bid	Last Sale
1,205,000	3,932,164	1,294,187	9	2nd Jan.	q. 2¼	Canada Landed	163	157¼	160	150	150		140
6,000,000	19,946,571	5,447,977	10	2nd Jan.	q. 2½	Canada Permanent	183	168⅝	173	162½		169	170½
1,750,000	5,519,687	1,8[illegible]3,863	10	2nd Jan.	q. 2½	Central Canada					190		
20,000	2,994,240	419,646	6	2nd Jan.	s. 3	Col. Investment, pref.	76	70	77	68	74		81
934,848	1,112,672	263,925	5	2nd Jan.	s. 2½	Dominion Savings	80	80				82	81
2,412,566	2,221,508	827,258	5	1st July	Def.	Great West Per.							89⅛
1,200,000	2,276,590	1,163,994	8	2nd Jan.	s. 4	Hamilton Provident	140	138	142	137		133	133
2,500,000	11,865,047	3,186,669	12	2nd Jan.	q. 3	Huron and Erie	214	209	211	205		204	200
1,000,000	1,914,936	837,232	8	2nd Jan.	s. 4	Landed Banking	145	144	143	143		139	140
1,2[illegible]0,000	2,700,98[illegible]	871,997	8	2nd Jan.	q. 2	London and Can. Loan	135	132	132	128½	126½		126½
887,[illegible]98	1,722,889	341,924	6+1	2nd Jan.	q. 1½+¼	London Loan and Sav							
600,000	350,626	744,530	10+1	15th Dec.	q. 2½	Montreal L. & Mtg. Co.	175	160	165	162½			153
1,500,000	7,717,790	1,622,398	10	1st Jan.	q. 2½	National Trust	210	210	212	207½		210	207⅛
1,750,000	3,546,486	2,000,[illegible]03	9	2nd Jan.	q. 2¼	Ont. Loan and Deb.	175	160	175	175		175	155
500,000	643,698	262,754	7	2nd Jan.	s. 3½	Real Estate Loan		205⅛				145	103
1,[illegible]00,000	33,203,712	2,051,443	10	2nd Jan.	2½+1	Toronto Gen. Trusts	210	134	215	200	207		204
724,5[illegible]0	1,774,451	627,871	8	2nd Jan.	q. 2	Toronto Mortgage Co.	140		140	136		130	127
1,000,000	1,931,4[illegible]0	1,[illegible]06,701	10	2nd Jan.	q. 2½	Toronto Savings							185
1,000,000	7,661,[illegible]82	465,702	8½	2nd Jan.	[illegible] 2½	Union Trust							179
1,000,[illegible]00		7,231,192	15	2nd Jan.	q. 2	Canada Life Assurance			100	[illegible]			190

Common Stock Outstanding	Bonds, Preferred Stock or D'b'ntures Outstanding	Reserve and Contingent P. & L.	Dividend 1917	Last Dividend Date	Per cent.	MISCELLANEOUS COMPANIES	Range for year 1916 High	Low	Range for Year 1917 High	Low	Latest Price Ask	Bid
[illegible],000,000		648,992		15th Jan.	1¼	Asbestos Corporation, com.	24	23	21	12	46¼	45
	7,000,000		4	15th Jan.	1¾	" " pref	60	53	53	42	63½	63
1,500,000		1,[illegible]88,1[illegible]3	9	1st Jan.	s. 4	Canadian N. Prairie Lands						
800,000	390,000	451,006	8	1st Jan	q. 2	Canadian Salt	140	124	136	128		132
59,109		1,757,277	$5	23rd Dec.	$5	Can North-West Land						
100,000		2,374,727	20	31st Dec.	q. 5	Confederation Life A.	350	330	330	330	375	
6,212,666		501,345		2nd Dec.	q. 1½	Crows Nest Pass Coal	83	71	70	50		52
1,000,000		292,230	6	15th Jan.	q. 1½	Dominion Telegraph	90	86	90	89	80	
3,000,000	12,669,500					Electrical Dev., pref.						
450,000	b 5,312,763	2,172,109	10	1st Jan.	q. 2½	Imperial Life Assur.						
500,000	460,400	783,511	7	5th Feb.	s. 3½	Intercolonial Coal, pref					90	
3,000,000		133,458		1st Mar. '14	1	Intern. Coal and Coke			25	25		
2,196,[illegible]51	1,922,500	[illegible]	7	15th Nov.	q. 2	Kaministiquia Power					120	
637,480	b 595,000	[illegible]	3	2nd July '17	s. 3	London Street						
2,000,000		119,740	8+1 cts	15th Jan.	q. 2	Montreal Telegraph	136	135	138	115		130
925,000	b1,123,000					Nia., St. Kath. and Tor.						
1,164,000	b 741,000	286,076	3¼	10th July '15	q. 1¾	Trinidad Electric						
2,124,700	b1,504,[illegible]21	[illegible]	8	16th Dec.	q. 2	W. Can. Flour Mills	1[illegible]9½	102				
800,000	b 600,000	606,0[illegible]	5	1st Jan.	q. 1¼	West India Electric			77	77		

NOTE—s—means semi-annually; q—quarterly; I—interim; L—Profit and Loss; +—indicates bonus; b—means bond; P—preferred stock; d—debentures; *—less than ten shares; sb—stock bonus; A—$500 per share return of capital paid February 1st, September 25th, 1912; Feb. 1st and Nov. 17th, 1918. December 1, 1914.

B.C. PERMANENT CO. REDUCED EXPENSES

Result Was That There Was a Considerable Increase in the Net Profits Shown

With earnings of $208,560, as compared with $204,957 in the previous year, the British Columbia Permanent Loan Company, owing largely to the fact that the discharge of the outstanding bond issue a year ago made an appropriation for interest on that score unnecessary, was able to show a very substantial improvement in net profits, the total being $75,682, as compared with $45,729; in 1916 the total was $57,536. Together with the balance brought forward there was made available for distribution a total of $204,403. The directors continued the conservative policy, which has been in force for some years, and no distribution of dividends was made. After small appropriations on furniture account and for patriotic subscriptions the sum of $100,000 was transferred to the reserve fund, reducing the balance to $103,903. From the reserve fund there was transferred to real estate and building account $140,682, while $18,171 was absorbed in writing down to a marketable basis, the securities held for share loans and insurance stock balances. The total surplus funds now amount to $783,022, of which $600,000 is specifically apportioned to the reserve fund. Following are comparative figures of the profit and loss account for the last three years:

Year	Paid-up Capital	Profits	Div.	% Profits Aver Cap.	Earn. *Rate
1918	$921,986	$75,682	—	8.2	4.4
1917	921,986	45,729	—	5.0	2.8
1916	921,986	57,536	—	6.2	3.6
1915	921,986	53,200	5	5.7	3.3
1914	909,252	84,055	8	9.2	5.4

*Per cent. capital, reserve and balance at credit of profit and loss.

The president, D. H. Wilson, points out that the payments on mortgages of both interest and principal have again demonstrated their worth. Interest accrued, but not yet received, stands at $71,067. This item has not been incorporated into the profit and loss account, but it is anticipated that practically all of the accrued interest will eventually be recovered.

The balance sheet shows that the company's assets in mortgages held have decreased from $2,245,963 to $1,876,409, real estate and building have been reduced from $836,056 to $782,601, war bonds held have increased from $209,553 to $257,454, cash holdings are somewhat reduced, the total being about $61,000. The total assets stand at $3,069,205, showing a reduction from $3,465,698.

Sterling debentures are lower by about $140,000, and currency debentures by about $5,500, American debentures are some $60,000 lower. The result of these changes is that the total of debentures have declined from $1,329,965 to $1,121,348. The bank loan has been decreased from $237,275 to $208,404. A mortgage of $50,000 has evidently been paid off. Following are some features of the company's record for the past five years:

	1918	1917	1916
Earnings	$208,560	$204,957	$217,726
Interest	$ 82,376	$ 94,412	$108,180
Expenses	24,944	26,250	26,936
Taxes	10,530	10,813	10,698
Deb. exp.	15,028	27,753	14,375
	$132,878	$159,228	$160,190
Profits	$ 75,682	$ 45,729	$ 57,536
Bal. forward..	128,721	93,494	49,031
	$204,403	$139,223	$106,567
Distribution—			
Contingent .	$	$ 10,000	$ 10,000
Furniture .	500	500	573
Patriotic ...	1,000	......	......
Res. Taxes..	......	......	2,500
Reserve	100,000	......	......
Balance	102,903	128,721	93,494
	$204,403	$139,223	$106,567

SEARS, ROEBUCK PROFITS

The Report of 1918 Showed a Decline in The Net Returns

During the year ending December 31st there was a small decline in the earnings of Sears, Roebuck and Sompany, according to the annual report. The statement disclosed net profits after all charges and war taxes of $12,704,764. After deducting $559,188 for preferred dividends the showing was $16.19 a share for the $75,000,000 of commons tock. In the previous year $18.08 a share was earned.

The gross sales for the year were $198,500,000 an increase of more than $25,000,000 compared with 1917 and a jump of more than $50,000,000 above the 1916 record. Operating expenses and selling expenses increased heavily and the net sales for the year totalled $181,600,000, or about $16,000,000 in excess of the net in the previous year. Other income fell off about $60,000 making total income for the year $181,000,000 against $166,100,000 in 1917.

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Correspondence Invited.

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NEWS OF THE BOND MARKET

BOND MARKET WAS ON THE QUIET SIDE DURING THE WEEK

Issues Are Still Scarce, While Demand Keeps Up Well

NEW ISSUES COMING

Toronto to Sell Block of Hydro Bonds on Tuesday, While Other Large Issues Are Expected Soon

After the rather heavy absorption of bonds last week, the market has been on the quiet side this wek. There is still a pronounced scarcity of issues, while the demand continues strong. Apparently there is a great deal of money accumulating and, other channels of investment being closed, much of these funds must of necessity find an outlet in bonds. There is nothing in the present outlook to point to either a lessening of demand or a weakening of prices.

It is reported that there are several large issues in the offing. Dealers are negotiating for these privately, but it is the expectation that in most cases tenders will be invited. The Toronto issue of $650,000 5½'s is the next important offering and naturally much interest will attach to this sale next Tuesday. The issue is of a size that may be handled by the smaller bond houses so that there should be a long list of bids. At time of writing there has been no announcement regarding the British Columbia issue which has been on the way for some weeks past.

New Brunswick Sale

There was extensive bidding last Saturday for the Province of New Brunswick issue of $450,000, 5½ per cent., 15-year coupon gold bonds, it being understood that some twenty-four offers in all were submitted for the issue. The successful tenderers were A. E. Ames & Co. and J. M. Robinson & Sons acting on joint account and their bid was 100.35 or a 5.47 per cent. basis. Following are a few of the tenders submitted:—

Robinson & Sons	100.350
Hew R. Wood	100.279
G. A. Stimson & Co.	100.273
Eastern Securities Co.	99.612
Canada Bond Corporation	99.410
Dominion Securities Corp.	99.385
Æmilius Jarvis & Co.	99.130
Harris, Forbes & Co.	99.127
R. C. Matthews & Co.	99.030
Campbell, Thompson & Co.	98.910

A. E. Ames & Co. report that the issue has been successfully placed, the bulk of the bonds being sold in the American market.

Essex Border Utilities

The newspaper report, emanating from Windsor, to the effect that Morrow & Jellett did not intend to carry out their contract in connection with their purchase of $210,000 Essex Border Utilities bonds is characterized by the Toronto bond house as untrue. The report evidently originated from a misunderstanding occasioned by the carrying out of certain legal formalities. The deal will be put through in the ordinary way.

Smaller Issues Placed

The town of Brockville has placed an issue of $28,000 ten-year sixes locally at par.

The town of Trenton has awarded to Wood, Gundy & Co. an issue of $7,000 6 per cent., 15-instalment debentures.

A. E. Ames & Co. have purchased an issue of $100,000 County of Lanark 5½ per cent. coupon bonds, maturing 1920 to 1939. These are being offered at par and interest to yield 5½ per cent.

The county of Carleton has awarded to Housser, Wood & Co. an issue of $11,000, 6 per cent., 10-instalment bonds.

The U.S. Market

The volume of municipal borrowing in the United States in the opening month of 1919 shows an increase over the last few months of 1918. Roughly new issues sold in January amount to $24,000,000, according to the "Daily Bond Buyer," of New York. The average monthly output of permanent issues in 1918 was $21,750,000. August, with $32,504,600 bonds, was the biggest month and October, with only $10,192,635 of new issues, was the smallest. In 1917, $88,946,592 was borrowed in a single month (July) through bond issues and the smallest monthly total was recorded for November when bonds worth $17,285,168 were put out. The monthly average in 1917 was $37,000,000.

Total sales of State and municipal bonds in 1917 were $444,932,848 and in 1918, $261,161,464. If in 1919 the normal amount of financing is arranged plus the $180,000,000 or more that was held up by the war in 1918, the total bond sales this year will run to the unusually large total of about $700,000,000, or an average per month of $58,000,000.

Here is the "Daily Bond Buyer's" record of sales of long term State and municipal bonds in January for the last ten years:

1919	$24,044,225
1918	18,406,056
1917	39,345,640
1916	51,410,817
1915	31,366,878

The Supply of Bonds

Municipal bond experts are not entirely agreed as to the extent to which new municipal bond issues will be brought out in coming months, adds the "Bond Buyer." While it has been generally felt that a veritable avalanche of new bonds is to descend upon the market this year, because of the accumulation of issues caused by the restrictive conditions existing all during 1918, a municipal bond man of note writes in "Trust Companies":

"My own observation is that the officials of municipalities are disposed to carry forward the delayed improvements and to meet the Government suggestions insofar as they reasonably can until they get to the point of considering the immediate costs and the probable criticism of their own taxpayers who are already shouldering about all the tax burdens that it is reasonable to expect them to stand, and while authorizations for large expenditures will be sought and obtained the officials themselves are going to be very slow in going ahead with large undertakings when it is evident that they will be able to do the work considerably cheaper by waiting. Therefore, I believe the issuance of large amounts of public securities will tend to be delayed and spread over a much longer period than a hasty consideration of the situation would indicate."

MANAGER APPOINTED

Captain Hugh Murray to Represent National City Co.

Capt. Hugh W. Murray has been appointed Toronto manager of the National City Company and the office in that city probably will be opened next week, on King Street. Capt. Murray has just returned from service overseas, having left in 1915 as Major of the 134th. He reverted to Captain in order to get to France, and served until the end of the war, returning three weeks ago. He has had a wide experience in the bond business, his first connection being one of eight years with the Dominion Securities Corporation, until in 1912 he joined with N. L. C. Mather, now manager of the National City Company for Canada, in the firm of Murray, Mather & Co., Toronto. Capt. Murray is a popular figure in bond circles.

In connection with the Montreal office it is announced that H. P. Thornhill, a member of the executive of the Canadian Bond Dealers' Association, will be the manager. Three members of the Montreal staff, Major Bruce Taylor, S. A. Heward, and Lt. Ralph Babbitt, are at present in New York attending a financial educational course at the National City Company's new building at 50 Wall Street.

ALBERTA SCHOOLS

Result of Sale of Six Blocks of School Bonds Announced

J. T. Ross, Deputy Minister of Education, Edmonton, reports the award of the following Alberta school district debentures on January 24. Block No. 1, consisting of the following 7 per cent., 10 instalment bonds: Onion Lake, $1,000; Cromwell, $2,000; Northern Moose, $1,000; Foch, $1,500; Wild Deer, $1,000; Allenby, $2,500; total, $9,000; was awarded to the Dominion Loan & Securities Co., Limited, at 99.76. Block No. 2 consisting of the following 7 per cent., 10 instalment bonds: Philo, $600; Laughlin, $1,700; Cavendish, $1,500, Wayne, $2,500; total, $6,300, to W. L. McKinnon & Co., at 99.88. Block No. 3, Antrim S. D., $2,250; 7 per cent., 12 instalments, to W. L. McKinnon & Co., at 99.88. Block No. 4, Lake Geneva, S. D., $400, 7 per cent., 5 instalments, to Manufacturers' Life Insurance Co., at 99.50. Block No. 5, Maple Hill, $1,000, 7 per cent., 15-instalments, to W. L. McKinnon & Co., at 99.88. Block No. 6, Etzikom, $1,800, 7 per cent., 15 instalments, to W. L. McKinnon & Co., at 99.88.

The following tenders were received:

	Block No. 1	Block No. 2	Block No. 3
Brent, Noxon & Co.	98.28	98.53	98.63
McNeill & Young	99.36	99.36	99.36
Manufacturers' Life	.....	99.50	99.50
Wood, Gundy & Co.	.....	99.26	99.32
Dom. Loan & Sec.	99.76	99.76	99.66
Nay & James	.....	98.43	.....
W. Ross Alger & Co.	.....	99.52	99.55

	Block No. 4	Block No. 5	Block No. 6
Brent, Noxon & Co.	98.00	98.63	99.03
McNeill & Young	.....	99.36	99.36
Manufacturers' Life	99.50	99.50	99.50
W. L. McKinnon & Co	.....	99.88	99.88
Wood, Gundy & Co.	.....	99.33	99.33
Dom. Loan & Sec.	99.36	99.56	99.56
Nay & James	.....	.....	98.33
W. Ross Alger & Co.	98.50	99.60	99.10

C. E. Bull, who for ten years was associated with the Van Sweringen interests in Cleveland, Ohio. has returned to his native city, Hamilton, and entered the bond business.

SPECIAL VICTORY LOAN COMMITTEE REVIEWS ITS WORK

Operated For Practically a Whole Year Without Break

240 DEALERS ACTED

Total Amount of Over Seventy Millions of Bonds Passed Through Hands of Committee

An official statement, prepared with the approval of the Minister of Finance, has been issued by the Victory Loan Special Committee covering the operations of the Committee during the period from January 22, 1918, to January 20, 1919, that it controlled the market for Victory bonds. As the plan followed was, so far as is known, the first of its kind ever attempted in connection with Government loans anywhere in the world, considerable interest attaches to the statement.

240 Dealers Included

There were 240 dealers, including bond men and stock exchange members, who entered into the agreement with the Committee, 104 of these trading through the Montreal office, 97 through the Toronto office and 39 through the Winipeg office. The Executive of the Committe were, G. H Wood, chairman, J. W. Mitchell, H. R. Tudhope and W. A. MacKenzie, of Toronto; Edwin Hanson, Purvis Macdougal and R. A. Stephenson, of Montreal, and Sir Augustus Nanton, of Winnipeg. The Committee operated from three offices: R. A. Daly, who was general secretary of the Committee, was also secretary at Toronto; R. H. Holden was secretary at Montreal, and T. R. Billett was secretary at Winnipeg.

Extent of Transactions

During the period in which the Committee was operating the total amount of bonds which passed through the hands of the Committe for both loans was $70,336,000. This represented the amount of bonds taken in by the Committee and for which they found a market. Trading in the 1917 Loan amounted to $56,058,000, of which $28,472,450 was in the 1922 maturity; $5,034,900 in the 1927 maturity and $22,550,650 in the 1937 maturity. Trading in the 1918 Loan totalled $14,278,000, of which $1,806,000 was in the 1923 maturity and $12,472,000 in the 1933 maturity.

The Committee handled 33,764 separate transactions, of which 22,613 were incoming and 11,151 were outgoing.

Results Achieved

At least three things have resulted from the Committee's operations:

1. The floating supply of both 1917 and 1918 Victory loans have been widely and strongly distributed.

2. It prepared the way for the success of the 1918 campaign, and made possible the flotation of the Loan at par, thus saving the country perhaps $10,000,000 in the price alone.

3. It undoubtedly enhanced Canada's credit in the Allied Countries, this being especially the case in financial circles in the United States.

BOND HOUSE EXPANDS

W. Ross Alger & Co., Edmonton, Absorbs Another Local Company

It is announced that the stock and bond house of W. Ross Alger & Co., Edmonton, has absorbed the local stock brokerage interests of Aiken & Co., and has also completed arrangements with the New York firm of Logan & Bryan for a private wire service to Edmonton. The Alger services through the New York firm will give them direct wire connection over 32,000 miles of leased wire, touching all the large financial centres in Eastern Canada and the United States. J. A. Anderson, manager of the Canadian Pacific Railway Telegraph in Edmonton has retired from that service to take charge of the wire of Alger & Co., and Mr. Aiken, whose business is being merged into that of the latter company, will be manager of the stock department. G. P. Nance, cashier of the National Trust Co., will have charge of the accountants' department. Mr. Alger will continue to direct the firm's bond business, and will have as assistant Mr. P. Ponton, late of the accountant's department of Revillon Wholesale.

The Edmonton Bulletin states that the Huron & Erie Mortgage Corporation and the Canada Trust Co., have been negotiating for a million dollars of Province of Alberta bonds.

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McDonagh, Somers & Co.
Government and Municipal Bonds
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Canada

Housser, Wood & Co.
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R. A. DALY & CO.
Bank of Nova Scotia Bldg.
TORONTO

W. L. McKinnon Dean H. Pettes
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W. L. McKinnon & Co.
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W. F. Morgan-Dean Geo. R. Harris
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Investment Banker
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FIELD OF MUNICIPAL FINANCE

BUSINESS MEN SETTLE POLICE AND FIRE TERMS

Montreal Board of Arbitrators Make Decision After Late Strike

INCREASE OF $650,000

Big New Wage Bill—Right to Join Trades and Labor Council Refused—Generous Terms

An event that promises to stand forth in the municipal history in Canada was the award made this week by a Board of Arbitrators consisting of five members, fixing wages and other conditions for the firemen, police and other civic departments, who went out on strike a few weeks ago when their demands were not granted, refusing to accept the arbitration that had been offered but later on agreeing to an inquiry. The schedules drawn up by the arbitrators go more than half way between the former wages and the men's demands, and the increases will involve an extra expenditure for the city of $650,000 a year. While a large portion of the business element of the city condemned the strike through the refusal of arbitration, the consent of the men to accept a board of business men, it is thought, augurs well for the victory of sane ideas among the men themselves, and the result was such that they were not disappointed in their trust. The financial awards were fully as great as the majority of the men expected.

No Affiliation With Unionism

Apart from the wage question, the main issue was a recognition of the right of the men to affiliate themselves with the Trades and Labor Council of the city. This the Commission would not concede, although the right of the men to form a union, and the recognition that representatives from this should appear for the men as a body, was granted. This point finds some opposition among the union men, and at the time of writing it is not clear whether they will be content to adopt this view, but this seems likely, as there have been no very decided protests against this so far. The Board took the ground that those who are named for the maintenance of public security "should not be bound by obligations to societies or organizations which would in any way restrain or embarrass them in the exercise and performance of their functions and duties."

The complete statement of the Board along this line reads as follows:

"The Board of Arbitrators in its decision as to the formation of associations amongst municipal employees, and the affiliation of such associations with other organizations, do not intend or purpose to pronounce upon the rights of workers in general to form societies and federate such societies, but have considered it advisable to rule against the federation of societies consisting of civic employees; and, in the larger services, such as fire and police, have provided that the employees be represented in the preparation of a manual covering such departments; and for all departments have provided a definite system for the consideration of all grievances; and have established an independent tribunal of arbitration which would ensure the civic employees ample justice.

"In arriving at this conclusion, the Board of Arbitrators have been mindful of the fact that those who are named for the maintenance of public security should not be bound by obligations, to societies or organizations, which would in any way restrain or embarrass them in the exercise and performance of their functions and duties—the primary duty consisting in the protection of all classes of society, without distinction, and at all times and under all circumstances."

In both the fire and police departments there is granted one day in fourteen as a holiday, and fifteen days a year as holidays with pay. The men's request in regard to clothing, tramway fares and dwelling facilities were granted virtually in full. The principle of arbitration is accepted for future disputes, and every man has the right of appeal to the Civic Commission. A manual will be prepared by representatives of the Commission—two—and one from the department, and the principle of promotion for merit is strongly endorsed. The city gives to the police the right to constitute themselves into a labor union, and recognize "Policemen's Federal Labor Union No. 62."

For the firemen a commission of three men is suggested which shall establish a system of appointments, promotions and disciplinary measures assuring equal justice to all.

The Board consisted of Alfred Lambert and Grant Hall, selected by the "Citizens' Protective Committee," Adelard Fortier and F. W. Stewart, chosen by the men, and W. A. Black, president then of the Board of Trade as chairman, appointed by the other four.

THE TAX ON MORTGAGES

Toronto Paper Claims City is Entitled To Such a Tax

The Toronto *Telegram* has little sympathy with the contention of the County of York Law Association that the act permitting certain municipalities to place a tax on mortgages in order to assist in the upkeep of their registry offices should be disallowed. The "Telegram" points out that Toronto's yearly outlay on the local registry office is $64,474, while its share of the revenue from the office is only $12,174, leaving a deficit of $52,300. In its curt way the "Telegram" says:—

"Mortgage tax promises to increase the city's income from the Registry Office by $17,500. The proceeds from that tax should reduce the city's deficit on Registry Office account by $17.500 per annum.

"York County Law Association swears at large on the subject of the mortgage tax. The Association fails to offer one good reason why the taxpayers of Toronto should lose $52,300 per annum or $1,005 per week, on the erection and maintenance of a Registry Office. York County Law Association cannot justify endorsation of the old system of Registry Office maintenance. That system heaped up fees for the officials, revenue for the Government and deficits for the taxpayers."

NOT ASSESSABLE

Company Wins Case Involving Taxation of Victory Bond Income

An interesting decision has been handed out by the Ontario Railway and Municipal Board in connection with the taxation of income from Victory bonds. In 1917 the Massey-Harris Company bought $1,780,700 worth of bonds. While holding these bonds the company received interest amounting to $49,393. The City of Toronto had assessed the company for that amount, but the company appealed against the assessment on the ground that it had lost on the transaction of purchase and resale, and was at cost for carrying charges, while the bonds were held, and that the loss and outlay should be deducted from the gross receipts by way of interest in determining the amount of the assessment as income. The company's contention was upheld.

In amplifying its judgment the board says: "If the income to be assessed is returned by way of interest or dividend received during the fiscal year from money at interest upon any security or investment, cognizance must be taken of loss sustained during that year in connection with the sale and disposal of that security or investment." The company claimed that it sustained a net loss of $16,634.73.

MORE REVENUE WANTED

Toronto to Ask For Legislation Regarding Income Tax

At Monday's meeting of the Toronto city council it was decided to seek legislation to permit of the levying of a poll tax of $5 per annum on all male citizens of 21 years of age and not over 60 years of age, except disabled soldiers and such male citizens as are assessed for income, but in the case of the latter $5 per annum will be the minimum amount they will have to pay. This tax together with all business and income taxes are to be collected the same year as the assessment is made, provided of course the Legislature gives the necessary consent.

It is also decided to seek legislation empowering the city to levy income tax on incomes or dividends received by shareholders in any incorporated company, who are residents in the city. Under the present law, no income tax can be levied on dividends derived from mercantile or manufacturing concerns. Also to extend income assessment to the profits made by those engaged in lucrative businesses, who at present pay but a small business tax, owing to their conducting their businesses from offices. For power to levy a tax of one-half of one per cent. on the amount of contracts awarded to and executed by non-resident contractors.

A population of 2,380,042 for the province of Quebec in 1917, or an increase of 74,288 over the previous year, is given in the report on municipal statistics recently tabled in the Quebec Legislature. The population of Montreal increased by 62,156 in 1917 and is given at 700,000, irrespective of suburbs.

GRADUATED TAXES ARE FAVORED IN CITY OF LONDON

Assessment Commissioner Grant Makes Some Suggestions

WOULD TAX BUSINESS

Believes There Should Be No Further Increase in Tax on Real Estate, But Other Sources Tapped

Assessment Commissioner Stephen Grant of London is out with some rather radical suggestions regarding the assessment of the property of the working men compared with that of the wealthier citizens. Mr. Grant proposes the setting of differential rates of taxation in order to lower the tax burden of the poor and distribute it among the more well-to-do.

Mr. Grant suggests as one way of overcoming the alleged inequality of taxation that a set rate for all property assessed at $2,000 or less should be made and set higher rates for property which is assessed higher. As many rates as are thought necessary could be fixed.

According to this assessment commissioner, there should be some method whereby money invested in the various industries should bear its proper burden of taxation. He points out that when a man invests $20,000 in real estate he pays a tax of $600 on this at a 30-mill rate, supposing it to be assessed at full value. If however, the man should take his money and invest it in a business proposition he would only pay taxes on $1,200, which would be his income from the investment at 6 per cent. Thus he would pay only $36 a year taxes on his investment in this instance.

Mr. Grant further says that dividends from manufacturing and mercantile pursuits are not taxable at all. He is of the opinion that the taxes of the city should be increased not by further burdening the real estate, but by fairly and adequately taxing the invested wealth that has heretofore been exempt.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED

Feb. 24, Petrolia.—$10,000 in 7 per cent., 10-instalment debentures of the town of Petrolia.—John McHattie, Town Clerk.

Feb. 11, Toronto.—$650,000 in 5½ per cent. serial gold bonds, maturing 1919 to 1938.—T. Bradshaw, Commissioner of Finance.

Feb. 10, Pembroke. — $50,000, 6 per cent., 30-instalment debentures of the town of Pembroke, Ont.—W. J. Moore, Acting Clerk.

BY-LAWS PASSED OR DEFEATED

Regina.—$40,000 to pay off the indebtedness to the Provincial Government in connection with the cyclone loan passed by council, Jan. 21.

Hamilton.—The Board of Control approved of a by-law which will provide for the issue of debentures to the amount of $400,000 for public school purposes, as recommended by last year's council. The city council on January 28 agreed to apply to the Legislature for permission to issue debentures to the amount of $300,000 to cover overdraft on hospitals account.

Galt.—$35,000 for waterworks department and $50,000 for hydro-electric department, passed by council, Feb. 3.

DEBENTURE NOTES

Elmira.—At a special session of the council on January 27, it was moved, seconded and carried that the clerk be instructed to prepare a by-law for the issue of debentures for $2,400, at the rate of 5¼ per cent. per annum, for payment of cost of installing the new boiler in the public school building.

Port Perry.—A by-law has been passed to extend the payment of debentures due December, 1918, to December, 1923, and to raise the interest rate from 5 per cent. to 6 per cent.

Edmonton.—After a special conference between the Public Utilities Commission and the finance committee of the city council the authority was given Friday morning of last week for the issuance of $900,000 worth of 5-year debentures on the general credit of the city, which will be utilized to pay off short term notes and overdrafts at the bank. While this sum is not the full amount asked for by the council the Utilities Board only reduced the application $100,000, the request being for $1,000,000 per city by-law. Sanction has also been given by the Utilities Board for the disposal of $217,000 worth of public works debentures and it is the intention of the commissioners to have tenders for the entire issue in hand early in February. This financial adjustment will permit the council starting the present year with a clean slate so far as overhanging liabilities are concerned.

Fredericton, N.B.—After considerable debate the city council at a special meeting on January 28 passed the following resolution: "Whereas it is deemed expedient and in the public interest that the City of Fredericton should forthwith embark on a policy of construction and maintenance of permanent streets and sidewalks involving an expenditure of not more than $200,000, extending over a period of not more than five years, and that the said expenditure shall be financed by the issue of serial bonds extending over a period of fifteen (15) years, bearing interest at a rate not exceeding six per centum per annum, the whole to be expended under the supervision of this Council of a Committee thereof, or of a Commission to be created for that purpose under legislative authority and to be appointed by this council.

SASKATCHEWAN

The following is a list of authorizations by the local Government Board from January 20th to 25th.

Rural Telephones.—Ethelton, $700.

School Districts. — Hubbard, $5,000; Tuscola, $2,500.

Towns.—Ogema, $1,500.

The following is a list of debentures reported sold from January 20th to January 25th.

School Districts. — Warmley, $750 to Regina Public School Board Sinking Fund Trustees.

Rural Municipalities. — Oakdale, $3,846.16 to Tom Valance.

BOND SALES

$1,500 Asbestos at 77; $1,000 Can. Cement at 98; $4,600 Can. Locomotive at 92½ to 92; $2,700 Cedar Rapids at 87¼ to 87; $2,000 Can. Cons. Rubber at 94; $6,000 Dom. Textile "C" at 97½ to 97⅜; $20,000 Dom. Textile "A" at 98; $1,000 Dom. Textile "D" at 98; $3,500 Montreal Trams. debs. at 73 to 72¾; $1,000 N.S. Steel at 83½; $10,000 Laurentide at 100¼; $19,000 Ogilvie Flour "C" at 100½ to 98; $1,100 Quebec Rly. at 60 to 59¾; $8,500 Riordon at 94½; $10,000 Spanish River at 87; $2,000 Sherwin-Williams at 96¾ to 95; $4,500 Wabasso Cotton at 34; $15,100 Wayagamack at 86; $45,800 War Loan (1925) at 97 to 96; $22,600 War Loan (1931) at 97½ to 95½; $101,400 War Loan (1937) at 97¾ to 97¼; $595,950 Victory Loan (1922) at 101¼ to 99¾; $984,200 Victory Loan (1923) at 100¼ to 99¾; $138,900 Victory Loan (1927) at 100⅞ to 100¼; $1,233,050 Victory Loan (1933) at 102½ to 99⅞; $253,150 Victory Loan (1937) at 103 to 102¼; $69,200 Montreal (1923) at 101½ to 100¼.

VANCOUVER'S ARREARS

City Will Not Hold a Tax Sale During Present Year

Vancouver will not hold a tax sale this year, according to Ald. Kirk, chairman of the finance committee of the city council, who has just returned from Victoria, where he interviewed Robert Baird, provincial municipal inspector. The holding of a sale, which has been strongly advocated for the last year or so, and just as strongly objected to by several of the big property holders, is not possible owing to the city's difficulty in locating the owners of many of the properties which are included among the delinquents.

The local custom has been to aasess the purchaser of a property on request, whether or not he be the registered owner. This often results in two names appearing as owner of a given property, one on the city assessment rolls and the other in the land registry office. Among the amendments which will be brought up at the next session of the B. C. Legislature, which meets next month, will be one making the registered owner the owner who has the right of voting on the property and with whom alone the city will deal in the matter of taxes. This will enable the city to hold a tax sale and issue the necessary title to purchaser.

Arrangements will be made to protect soldiers' interests providing such notification is given to the council. Including the arrears of taxes in Vancouver, the amount in default of payment throughout the province is now well over $13,000,000.

LACHINE TO BORROW

Asks Legislative Authority to Issue $63,000 Bonds

The City of Lachine, Quebec, will apply to the Legislature for permission to levy a tax on all male inhabitants between 21 and 60 years of age, who reside there, or have a place of business or work in the city, unless they pay other taxes to the municipality. The amount decided upon is $5 a head, which is half the rate charged bachelors in Montreal. Power wil be asked also to borrow $63,000, of which $40,000 is to extinguish floating debts incurred for capital account, and the balance for public works.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place and Purpose	Purchaser.	Rate	Term	Amount	Price	Basis
Jan. 25	Warmley S.D., Sask.	Regina P. S. B. Sinking Fund	.....	......	$ 750	......	......
Jan. 25	Oakdale R.M., Sask.	Local Sales	.....	......	3,846	......	......
Feb. 1	New Brunswick, Province	Ames & Co. and Robinson & Sons	5½%	15-yr.	450,000	100.35	5.47%
Feb. 3	Brockville, Ont.	Local Sale	6%	10-yr.	23,000	100.00	6.00%
Feb. 3	Trenton, Ont.	Wood, Gundy & Co.	6%	15-ins.	7,000	......	......
Feb. 4	Lanark County, Ont.	A. E. Ames & Co.	5½%	20-ins.	100,000	......	......
Feb. 4	Carleton County, Ont.	Housser, Wood & Co.	6%	10-ins.	11,000	......	......

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Dom. of Canada (guaranteed)	4%	1962
Prov. of Saskatchewan	5¾%	1934
Prov. of Alberta (guaranteed)	4½%	1944
Prov. of Ontario	6%	1928
Prov. of Quebec	4½%	1946
Gov. of Newfoundland	6½%	1928
City of Victoria, B.C.	5½%	1948
Greater Winnipeg Water District	6%	1924

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In South Australia	14
In Western Australia	21
In Tasmania	3
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INVESTORS' INSURANCE NOTES

MUTUAL LIFE ADDS 65.5% OF NEW BUSINESS

Increases Its Insurance in Force to One Hundred and Thirty-seven Millions

BIG DEATH LOSSES

Company Paid Out Over $3,000,000 on Policyholders' Account, But Maintains Dividend Scale

While the Mutual Life Assurance Co. of Canada did not make the spectacular gain in business written in 1918 that it did in 1917, yet with a total of $21,541,069, the company showed a comfortable increase of $1,416,506 over the record of the previous year. What is, however, even more significant is the extent to which business written has been conserved. The gain in assurance in force, from $123,511,314 to $137,640,614, or $14,129,300, represents 65.5 per cent. of the new business written, a showing which probably very few other life companies can equal. At this level, the percentage is only slightly under the 1917 figure of 68 per cent.

Death Loss Record

The second most interesting detail of the Mutual Life's report naturally concerns the company's mortality experience. If the Company was successful in adding a record amount of new business to its books, it had on the other hand to meet abnormally heavy claims. The death losses for the year reached the big total of $1,851,930, which compares with $1,144,523 in 1917, while unadjusted claims were $585,066, as compared with $370,503. Of the total death losses, $375,555 were war claims and $610 643 influenza claims. No figure is given as to the extent of the mortalities compared with the expected, but on ordinary claims above it is stated that it stood at the favorable figure of only 45.77 per cent. Presumably total claims would be in the neighborhood of 100 per cent. of the expected.

How Payments Increase

While payments for death claims were larger than in 1917 as also were other payments. Matured endowments took $479,958, as against $402,292; surrendered policies, $409,374, as against $308,890; dividends, $838,466, as against $648,661. Altogether payments totalled $3,291,418, or $777,000 more than in the previous year. In this connection it is stated that the company is in the happy position of being able to maintain its dividends on the same scale as in previous years.

Expenses at $1,182,735 show a very small increase, but when compared with the enlarged income, the expense ratio is found to have fallen from $17.65 to $16.84 per cent.

Growth of Income

The company's income in 1918 amounted to $7,021,103, of which $5,021,518 was the net premium income and $1,999,584 was derived from interest, rent, etc. As the 1917 income was $6,424,515, it is seen that there was a substantial gain of $596,588, which offsets to a considerable extent the heavy increase in disbursements.

The increase in assets for the year was $1,590.305 and this item now stands at the large figure of $34,755,736. The feature of the year, in this connection, as with practically all life companies, was the expansion in the holdings of bonds and debentures. In 1917 the company's mortgages had a lead of approximately $4,000,000 on bonds and debentures, being $14,542,884 and $10,584,330 respectively. In 1918, bonds and debentures were up to $13,457,486, whereas mortgages had contracted to $13,921,438. Policy loans, the third largest item, amounted to $4,488,148, a slight increase over 1917. All other items in the statement of assets are comparatively small.

No information appears in the preliminary statement as to the average rate of interest earned on invested funds. In 1917 the rate was 6.61 per cent. Presumably, with the large accretions of Government bonds, the 1918 rate will be slightly under the figure.

Strength of the Company

The strength of the Mutual Life's position is clearly attested by the provision that has been made to meet all contingencies. The reserve now amounts to $27.782 269, it having been enlarged by $2,700 000 during the year. With the pronounced improvement in the market for bonds and debentures, it has been found possible to reduce the special investment reserve from $542,557 to $389,469. The reserve for unreported death claims has also been slightly reduced now that the war is over and from $45,000, it has been cut to $35,000. As already mentioned a provision of $585,066 has been made against unadjusted death claims. Dividends due and allotted but unpaid show substantial increases over 1917. Finally the surplus is found to work out at $4,603,279, a decline of $160,000 for the year. As this represents only about 3 per cent., it is clear that the effect of the heavy mortality has not been severe.

FINE ACHIEVEMENT OF THE CROWN LIFE

Increases Its Surplus in Face of Unprecedentedly Heavy Death Losses

A record to be proud of, was the comment of vice-president, J. G. Kent, in moving the adoption of the report of the directors at the annual meeting of the Crown Life Insurance Company on Monday last. This young company emerges from the most trying year in the history of insurance with a most creditable showing. It is true that during 1918 it did not write as large an amount of new business as in the previous year but this was obviously sound policy, for it enabled the company to cut its expense ratio to the exceptionally low figure of 12.7 per cent.; to meet the heavier death claims incurred and to enlarge its surplus, a feat which few Canadian life companies have been able to accomplish.

New policies to the amount of $3 658,112 were issued, comparing with $4,115,431 in 1917. There was a net gain of $1,523,912 in insurance in force, bringing this total up to $17,398,195. Among the compensating features of the present trying times, according to Mr. Kent, has been the tremendous demonstration of the necessity of life insurance protection, as a result of which insurance agents are finding applications more plentiful to-day than ever before This circumstance should lead to the closing of much larger business this year.

How Losses Were Spread

Death claims met during the year amounted to $110,508, with $64,192 additional claims awaiting proof at the year-end. These figures compare with $102,270 and $26,613 respectively in 1917. The total face value of death claims during 1918 was $196,611, of which only $47,318, a very low percentage, resulted from normal causes. The influenza accounted for $85,843 and the war for $46,400, while the remainder were from causes not yet reported.

Surrendered policies called for the payment of $19,813, being $6,000 less than in 1917; matured endowments amounted to $56,100, as against $15,000 the previous year and profits on policies were $11,469, an increase of $5.000. Altogether there was disbursed on policyholders' account $204,043 which was $73,000 more than in 1917. All other expenditures, brought total disbursements up to $401,279, as compared with $346,430 in the previous year, an increase of approximately $55 000. Against this, however, it is to be noted that income at $694,609 was $66,000 greater, so that the year's experience was better on the whole than in 1917.

Increase in Assets

Assets have increased during the year from $2,248,896 to $2,554,434. Of this amount, $453,808 stands invested in mortgages, $841,009 in bonds and debentures, $366.331 in loans on policies and $544,888 in real estate. The increase in assets is made up almost wholly of new holdings of Victory bonds and other good government and municipal securities. These, as pointed out by Mr. Kent, could all be re-sold to-day at a considerable advance over the purchase price.

After adding $257,258 to the reserve fund bringing it up to $2,225,868 and providing for all other liabilities, the surplus, inclusive of $101,720 paid up capital, stands at $209,595, an increase for the year of over $18,000. This increase, in face of unprecedentedly heavy death losses, may well be regarded as a most gratifying achievement.

GREAT-WEST LIFE

Annual Meeting was Held in Winnipeg Last Friday

The annual meeting of the Great-West Life Assurance Co., was held in Winnipeg on Tuesday of this week but as detailed report has not yet been received, a review of the company's statement must be deferred until next week. New business amounting to $30,659,557 was issued, while the business in force increased by $18,220,508 to $170.863.673. Income amounted to $7.129.106 and assets have grown to $27,432,824.

The value of public utilities owned by the municipalities of Quebec province is $57,508,615. New municipalities erected in 1917 numbered 21, bringing the total to 1,070.

MANUFACTURERS' LIFE EXPERIENCES SPLENDID YEAR

Broke Records in New Business and Gain in Insurance in Force

LOSSES WERE HEAVY

But Notwithstanding, Assets Were Substantially Enlarged and Surplus Maintained Nearly Intact

Nineteen-eighteen proved to be a year of substantial progress for the Manufacturers' Life Insurance Co., as revealed by the figures presented at the thirty-second annual meeting of shareholders and policyholders held on Thursday of this week. Records were struck both in the writing of new business and in the gain in assurance in force; both income and assets were considerably increased and the company was able to meet exceptionally heavy death losses without weakening its position to any appreciable extent.

The new business for the year, including insurance reinstated, amounted to $19,135,750, which compares with $16,485,403 in 1917 and $13,629,213 in 1916. The total insurance in force crossed the $100,000,000 mark and reached $108,572,703, an increase for the year of $10,444,072. This gain in assurance in force represents 54.5 per cent. of the new business added. By an odd coincidence this is almost exactly the percentage of the gain in 1917 and, having regard to the heavier death losses, it shows how well the company is holding its business.

Payments to Policyholders

Like all the other life companies the Manufacturers' Life has had to meet exceptionally heavy death claims. There was actually disbursed on this account $1,085,224, while the sum of $471,528 was held to meet claims which were still awaiting proof at the year-end. These figures, comparing with $849,408 and $277,726 at December 31, 1917, show how serious the losses have been. No indication is given as to the percentage of the expected mortality experienced but doubtless it was high.

Matured policies, annuities, etc., called for payments of $1,088,756, which is well over $100,000 more than in 1917. Dividends to the amount of $344,059 were disbursed, this being substantially more than in the previous year. Altogether payments to policyholders aggregated $2.518,039 or $423,825 more than in 1917.

How Assets Grew

During the year, the company's assets have expanded in value from $24,585,783 to $26,748,392, an increase of $2,162,609. Holdings of Government and municipal bonds amount to $10,987,473; of railway and other bonds and stocks to $1,394,647; of first mortgages to $9,047,774 and of policy loans to $3,653,148, all four items showing gains.

In moving the adoption of the report, the president, W. G. Gooderham, referred to the very strong position which the company had attained in this regard, notwithstanding the trying experiences of the past five years. Taking a comparison with five years ago the increase in the Bonds and Debentures owned is a very outstanding feature and shows the change in the character of the assets of the company brought about by the opportunities for investment afforded during that period. The total amount invested in all classes of bonds increased from $3,831,639 in 1913 to $11,333,274 in 1918. The investment in Government securities during the same period advanced from $425,040 to $6,018,966. These Government securities comprise 53 per cent. of all the bonds owned by the company. The amount of Victory bonds held by the company is $4,756,700. The demand for first mortgages has been good, $9,047,774, of the assets being reported as held in this class of security, over $6,000,000, being on improved western farm properties.

The average rate of interest earned on invested assets during 1918 was 6.53 per cent., this being practically the same as the 1917 rate.

Income and Surplus

The total income for the year was $5.831,190, of which $4,243,585 was derived from premiums and $1,533,267 from investments. Expenses having been held well in hand, there was an excess of income over expenditure of $2.046,212, which was well over $100,000 better than the showing made in 1917.

Reserves for the protection of policyholders and annuitants were increased by $1.719.824 and now amount to $22,045,278. The surplus earned amounted to $599,349. The special contingency reserve has been maintained at $300,000 and after making all other provisions, the surplus stands at $2,502,293, a decrease of about $28,000 for the year. **It is claimed that had the surplus been computed according to the provisions of the insurance act it would have amounted to $3,268,745, an increase of $198,155.**

The Keystone of the Arch

Nothing known in building is stronger than the arch—the symbol of the mutual principle in life insurance. The centre of the arch is the keystone—and "The Keystone of a Life Insurance Organization," says W. O. Chapman, "is Management." The three leading constituents in good management are INTEGRITY, ECONOMY and EFFICIENCY. It is well known that the secret of the extraordinary success of the Mutual Life of Canada has been the rigid adherence of managers and directors through fifty years of history to these essential things. It is due to these that in spite of more than four years of devastating war, followed by a blighting pestilence, with the immense losses entailed, yet the strength of the Mutual Life of Canada is unshaken. The keystone ensures the solidity of the organization, and there is no other better qualified to defy the tooth of time than—

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO : : ONTARIO

SOLID GROWTH

Up-to-date business methods, backed by an unbroken record of fair-dealing with its policyholders, have achieved for the Sun Life of Canada a phenomenal growth.

Assurances in Force have more than doubled in the past seven years, and have more than trebled in the past eleven years.

To-day they exceed by far those of any Canadian life assurance company.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE—MONTREAL

THE STERLING TRUSTS CORPORATION

For the WELFARE AND HAPPINESS of those you will some day leave behind, take the precaution to appoint this Corporation as your EXECUTOR AND TRUSTEE.

Write to-day for our booklet on this subject.
10 AND 12 KING ST. EAST.

HEAD OFFICE—TORONTO

THE CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.

TOTAL ASSETS $2,387,634.14

A Canadian Company Investing its Funds in Canada

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The Independent Order of Foresters

Furnishes A Complete System of Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.

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Benefits Paid 58 Million Dollars

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HEAD OFFICE - - TORONTO

5½ INTEREST RETURN

INVEST YOUR SAVINGS
In a 5½% DEBENTURE of The Great West Permanent Loan Co

SECURITY

Paid-up Capital	$2,412,566.31
Reserves	756,580.13
Assets	7,168,537.29

HEAD OFFICE, WINNIPEG
BRANCHES: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

These Questions Affect *YOU* Can You Answer Them?

1. Will the ending of the war help or hurt the price of such stocks as Baldwin, Bethlehem Steel, Midvale, etc.?
2. Are the coppers "peace" stocks or "war" stocks? What class do the automobile stocks come in? The oils?
3. Among the rails, are the standard dividend-payers or the low priced non-dividend payers the thing to buy?
4. As the war draws to its end, what is likely to be the course of interest rates? How will that affect the price of bonds?
5. Which are the best bonds to hold—the high-income producers or the old line investment issues?
6. Are short term notes or long term bonds the better proposition at present?
7. Does the putting into effect of the new tax law mean a general reduction in industrial dividends?
8. Can the stock market rise in the face of the tight money situation?
9. New influences on security prices are beginning to become operative. Do you know how to go about adjusting your investments so that you will be helped and not hurt?

Questions such as the above are intelligently discussed and definitely answered in every issue of *The Investment Weekly*. Can you afford to be without it?

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Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

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W. F. Campbell, Grand Organizer. J. H. Bell, M.D., Grand Medical Ex.
HAMILTON - ONTARIO

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Fire, Marine, Hail and Automobile Insurance.
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Assets, over - - $3,500,000.00
Losses paid since organization, over - $43,000,000.00

Western Assurance Company
Fire, Marine, Explosion and Automobile Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets over - - $6,000,000.00
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BANKERS DISCUSS RECIPROCITY AS FINANCIAL FACTOR

Closer Relations Between Canada and United States Considered

THE BRITISH POLICY

The New Government is Encouraging Closer Working Relations Between the Different Dominions

NEW YORK.—Canadian banking representatives here, according to the *Sun*, express interest in the question as to the way in which the present movement on the part of the Western provinces of Canada for a reciprocity treaty which will give closer relations with the United States will fit in with the definite policy adopted by the British Coalition Government for the promotion of closer industrial relations throughout the empire.

Australia, too, wishes to increase her prosperity by trade relations wherever they can be advantageously formed. On the subject of British Imperial Problems, which affect more or less the relations of Canada to the United States. the monthly letter of the National City Bank issued to-day says:

"The election of the Coalition Government in Great Britain, composed as it is largely of members of the Unionist party, and the disruption of the Liberal party, with the removal from public life of so many of its old chiefs, probably means that a definite policy will be adopted to promote closer industrial relations throughout the empire. Mr. Asquith, who is defeated, was an uncompromising advocate of the policy of free trade, and it is probable that his chief reason for standing out against the maintenance of a Coalition Ministry during the period of reconstruction was his wish to keep himself free to oppose the various proposals for Imperial preference, protection to home industries and tariff alliances which he anticipated.

"He believed that the general policy of free trade was vindicated by the strength which England displayed in the war, and while he might have conceded that certain important branches of industry had been unwisely neglected, and possibly that the influence or patronage of the Government should be exerted in such instances, his attitude in the main was unchanged.

Lloyd George an Opportunist

"Lloyd George has been always a member of the Liberal party and a supporter of free trade, but his interest in it has been less pronounced than in other policies, and he is distinctly an opportunist, using that word in no objectionable sense but to mean that he feels free to deal in what he considers a practical manner with situations as they arise. Without doubt the master purpose in his mind now is to develop the resources of the British Empire and draw together in interest as closely as possible its scattered parts. A majority of his colleagues in the Ministry are probably favorable to a system of preferential tariffs within the empire.

"Of course, all British statesmen desire the development of Imperial resources and to strengthen the ties of interest between the dominions and the motherland. The real question is whether with their diverse interests any general Imperial policy which puts constraint upon the natural expansion of their trade will serve these purposes.

"Of course, the British Parliament would not assume to pass tariff legislation applying to overseas dominions, but would it be practicable for an Imperial Parliament to do so or for the dominions acting separately to conform their legislation to a common policy for the purpose of favoring trade within the empire? They have done this to some extent, but the results have not been marked. The Canadian tariffs give a preference to Great Britain, but the flow of trade between Canada and the United States apparently has not been materially affected thereby.

Conditions For Trade Favorable

"The fact is that the duties are designed primarily to promote manufactures in Canada, and when these do not supply the market the business by reason of proximity and choice of articles comes naturally to this country. At this moment, when the devotion of the Canadian people to the mother country is beyond all question, the Western provinces are agitating for a reciprocity treaty which will give closer relations with the United States. And so the attitude of Australia, with all the evidences she has given of loyalty to Great Britain, is that of an independent country which wishes to increase her prosperity by trade relations wherever they can be advantageously formed.

"Preferential tariffs in the Dominions in favor of British products naturally call for similar favors for Dominion products in Great Britain, and here the chief difficulty of the proposal arises, because the latter products are almost wholly foodstuffs and raw materials, the cost of which the people of England cannot afford to have increased by any policy of discrimination. Her position as an exporter of manufactures to the markets of the world will not permit her to either raise the cost of her raw materials or the cost of living to her population. She gets her food supplies now largely from South America and has a large market there for her goods; she cannot afford to discriminate against this trade, and this is illustrative of other relations.

"The unity and perpetuity of the British Empire is assured by the events and sacrifices of the last four years. It has been shown to be a real union by the greatest of trials, but there are evidently some serious obstacles to making it a geographical or industrial entity. It is a question whether there is any better way to secure its unity than by allowing each of the dominions to seek its own highest prosperity in its own way."

FAILURES INCREASE AS PRICES FALL

A Co-relation of Tendencies Which Seemingly Establishes a Rule

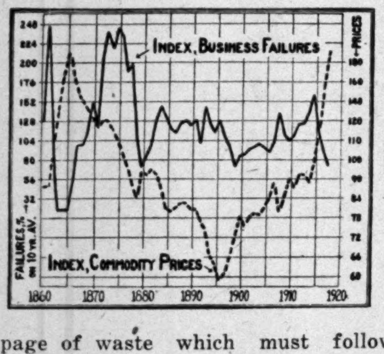
NEW YORK.—Past experience indicates that there is a very close relationship between commodity prices and commercial failures. Prices and failures are, as it were, on the two ends of a see-saw—apparently when one goes up, the other comes down.

The working out of this principle is graphically shown in the accompanying chart from the "Credit Men's Bulletin," covering the years 1860-1918.

The lesson of the chart is obvious and significant. The prices of commodities began to decline immediately after the termination of the Civil War and continued their downward course during a long period. Failures began to increase at the same time and continued to grow in number and liabilities until about 1875, and thereafter to decrease and increase as indicated by the chart.

The situation to-day is different in many respects from that which followed the Civil War. Then America was stripped of goods, while European nations had upon their shelves accumulated stocks of merchandise awaiting a market. To-day, the world is poor in goods and every nation will be compelled to devote its energies to the reconstruction of its normal industries.

Imports into America will increase, and the tendency of all prices will be downward. We have become a creditor nation, and the interest upon the debts due us must be paid in commodities. And, moreover, the restoration of some fifteen million workers to productive industry, and the stop-



page of waste which must follow peace, will necessarily result in greater production and a corresponding decline in prices. The effect of declining prices must be increased commercial failures. Men fail in business because they cannot get for their goods as much as they paid for them.

Failures during the period of restoration, when prices are being readjusted from the abnormal to even the normal, will unquestionably increase and fall heavily in unexpected directions, but the return to normal can be made gradually and safely by a common-sense and courageous conduct on the part of merchants generally.

According to the American Experience Table of Failures, the yearly average number of merchants failing in this country is approximately ten thousand in each million. This excessive rate of failures among merchants will be materially reduced, if the merchant will buy no more than his financial worth and prompt paying ability justifies and will sell no more than the resources and the prompt paying ability of the purchaser warrants. This would make him a prompt payer, a more careful and intelligent buyer and seller; he would keep better account of his stock and the purchasing power of his customers—it would strengthen the chain from producer to consumer.

UKRANIANS OF CANADA WANT SAY IN PEACE

Have Taken Their Case to the Government at Ottawa

ARE NOT BOLSHEVIKS

However it is Pointed Out That Many of This Nationality Are Members of Social Democrat Organizations

By Resident Representative

OTTAWA—An interesting sidelight on the mixed character of Canada's population, and the political significance which large elements of European nationalities in the population of the Dominion assumes, is found in the fact that within the past few days two leaders of the Ukrainians in Canada, T. D. Farley, M.P.P., of Winnipeg, and Joseph Megas, of Saskatoon, have been in Ottawa in consultation with the Government, asking permission to have Ukrainian delegates attached semi-officially to the Canadian representation at the Peace Conference. They propose that the delegates should pay their own expenses, but should be granted passports, and enjoy the countenance of the Canadian Government to the extent that they should receive recognition in Paris. Their object is to lend their help to their fellow-Ukrainians at home who are seeking recognition of the Ukrainian National Committee, which is the provisional government of the new state of Ukrainia. This involves a principle which is of interest and significance to Canada.

There are in Canada about three hundred thousand Ukrainians, mainly in Manitoba and Saskatchewan, including Ruthenians and Galicians. They claim to have furnished between fifteen and twenty thousand soldiers to Canada's armies which have been fighting Germany. The Ukrainians in Canada lay strong emphasis on their loyalty; which, so far as is known, is warranted. The above mentioned delegates inform me that the Ukrainians have no sympathy with the Bolshevik tendencies of those of their people here, although it may be noted that the Social Democrats in Canada have some 29 branches among the Ukrainians.

Position of Ukrainia

The recent history of Ukrainia is interesting in this connection. When Russia collapsed and split up into its many component nationalities—an ethnographic map of Eastern Europe shows nearly sixty peoples or tribes —the Ukrainians formed a separate state; and at the "peace" conference at Brest-Litovsk when Germany met the Lenine-Trotzky combination and made the arrangements which ended in Russia withdrawing as a belligerent, the Ukrainians had delegates present. They treated with the Central Powers and received recognition of their Government from them. They now claim that it was a matter of choosing between this and the worse evil of the Petrograd Bolsheviks.

Latterly, the Ukrainians have been fighting the Poles. We have been accustomed to regard the Poles as a typical example of an oppressed people; but the Ruthenians claim that the Poles are themselves great oppressors, and are now attempting to seize territory which, while latterly occupied by the Poles, is hereditarily Ukrainian. Ukrainia claims and is now fighting Poland for the territory east of the River San. The population of their present state amounts to about thirty-two or three millions, and the territory in dispute with Poland contains over six milions of whom the Ukrainians claim 75 per cent. are of their nationality. They have issued an appeal to President Wilson for support, and the delegates who have been in Ottawa say that Ukrainians from the United States accompanied the American party to the conference. The Canadian Government is asked to grant similar privileges to their people in Canada.

The Government does not seem disposed to give official recognition to this appeal from any particular nationality in Canada to interfere in the settlement of local affairs in Europe. To do so would establish a precedent which, with our population so varied as it is, might create endless trouble in the future.

T. M. F.

A strike of 150,000 textile workers in New York and New England is threatened, unless employers grant an eight-hour day with the same pay. Union leaders may spread the agitation to the South, where an immediate response is looked for.

The Standard Trusts Company

Directors' Report to the Shareholders at the Sixteenth Annual Meeting held at the Head Office of this Company in Winnipeg on Thursday, 30th January, 1919, at 3 p.m.

To the Shareholders:

Your Directors herewith present their report of the company's operations for the past year.

After paying all expenses and interest on Guaranteed Investment Certificates and providing for all known depreciation of securities, the balance at the credit of Revenue or Profit and Loss Account including $27,158.65 brought forward is		$120,943.77
From which there fall to be deducted Dividends Nos. 28 and 29 at the rate of 9% per annum, amounting to		77,802.98
Leaving a balance of		$ 43,140.79
Add premium of 25% on $250,000.00 new stock issued		62,500.00
Total		$105,640.79
Which has been disposed of:		
By transferring to the Reserve Fund	$100,000.00	
And carrying forward in Profit and Loss Account	5,640.79	
		$105,640.79

Notwithstanding drought in Southern Saskatchewan and Southern Alberta as well as frost in the northerly portions of the same provinces, interest and principal payments on Mortgages have been fairly well met, although a fair amount of arrearages will have to be carried over and seed grain in a number of cases will have to be supplied to those so afflicted. There is nothing, however, in the present conditions throughout the Canadian Northwest to cause any anxiety. Trade is good and likely to improve with a return of Canada's sons to a pastoral and agricultural life from scenes of warfare. Re-adjustments following upon demobilization must necessarily take time and tact.

The increase of the Company's Capital from $750,000 to $1,000,000, for the reasons already given to you, was accomplished without the slightest inconvenience, as shown by the ready response given by you, indicating, too, a marked confidence in the Company's strength.

Your Directors deemed it but right, and felt it would meet with your approval, if they contributed still further towards the success of the latest Victory Bond issue, by investing further sums therein and strengthening at the same time the Company's Reserve Fund Investments.

The customary care on the part of your Executive or Investment Committee in regard to the Company's Mortgage Loans has been fully exercised, while your Auditors continue to be unremitting in their attention to all details of the Company's business, whether it be Trust or Investment matters.

The Trust idea steadily gains in popularity in the public's mind, as shown by the numerous Wills being drawn in the Company's favor as Corporate Executors.

Your Directors desire to record, with regret, the resignation of Mr. W. J. Tupper, K.C., from the Board. Mr. Tupper's firm received the appointment of General Solicitors to another Trust Company, and in accordance with the unwritten rule that a man cannot serve two Trust Companies, he voluntarily retired from this Board. Your Directors were fortunate in obtaining the services of the Hon. W. B. Willoughby, K.C., of Moose Jaw, and a member of the Canadian Senate, in Mr. Tupper's stead for the balance of his term.

All your Directors in accordance with the Company's By-laws retire, but are eligible for re-election.

Your Auditors, John Scott & Company, also retire and offer themselves for re-appointment.

Respectfully submitted,

J. T. GORDON,
President.

FINANCIAL STATEMENT FOR THE YEAR ENDED 31st DECEMBER, 1918

COMPANY ASSETS	
Cash in bank and on hand	$ 162,683.89
Dominion of Canada—War bonds	112,271.50
Loans on first and equitable mortgages	1,092,655.74
	$1,367,611.13
Advances to Estates under Administration	891,926.85
Office Premises—Winnipeg and Saskatoon	246,565.78
Mortgages and Foreclosed Properties	431,657.00
Shareholders' Calls Unpaid	31,562.50
Miscellaneous	3,928.66
	$ 2,973,251.92
TRUSTS' ASSETS	
Mortgages and Agreements of Sale in Process of Collection	$ 1,959,206.20
Estate Assets—Real	4,518,379.17
Estate Assets—Personal	2,581,914.31
	$ 9,059,499.68
AGENCY ASSETS	
Clients' Allocated Securities	$ 1.427,417.67
Grand Total	$13,460,169.27

COMPANY LIABILITIES	
Balances due to Estates under Administration	$ 578,715.51
Invested and held for Distribution—	
Clients' Invested Funds—Guaranteed	735,848.34
Sundry Outstandings	11,517.68
Dividend No. 29, Payable 2nd January, 1919	41,529.60
	$ 1,367,611.13
Capital Stock	1,000,000.00
Reserve	600,000.00
Profit and Loss Account	5,640.79
	$ 2.973.251.92
TRUSTS' LIABILITIES	
Clients' Estates under Administration	$ 9,059,499.68
	$ 9,059,499.68
AGENCY LIABILITY	
Clients' Funds	$ 1,427,417.67
Invested in allocated Securities as per contra.	
Grand Total	$13,460,169.27

N.B.—The Company is also Trustee for Bond Issues amounting to $10,000,000.00.

PROFIT AND LOSS ACCOUNT

Balance, 31st December, 1917	$ 27,158.65	
Net Profits for the year, after deducting Expenses of Management, Directors' and Auditors' Fees, Commissions, etc.	93,785.12	
	$120,943.77	
25% Premium on issue of $250,000.00 additional Capital Stock	62,500.00	
		$183,443.77
Appropriated as follows:—		
Dividend Nos. 28 and 29 at the rate of 9 per cent. per annum	$ 77,802.98	
Transferred to Reserve bringing same up to $600,000	100,000.00	
Balance carried forward	5,640.79	
		$183,443.77

AUDITORS' CERTIFICATE

We beg to report to the shareholders that we have audited the Books and Accounts of The Standard Trusts Company at its Head Office and Branches for the year ending 31st December, 1918, and hereby certify that the above Balance Sheet is, in our opinion, properly drawn up so as to exhibit a true and correct view of the Company's affairs, according to the best of our information and the explanations given us, and as shown by the Books of the Company. All loan balances have been checked with the Mortgage Ledgers, and the Securities covering such loans have, as in previous years, been duly inspected and the cash and bank balances verified. All our requirements as Auditors have been complied with.

JOHN SCOTT & CO.,
Chartered Accountants, Scotland and Manitoba.

The retiring Directors were re-elected as follows: J. T. Gordon, Esq.; Wm. Harvey, Esq., B.L.; M. Bull, Esq.; John A. Girvin, Esq.; John Persse, Esq.; Kenneth MacKenzie, Esq.; P. C. McIntyre, Esq.; John Stovel, Esq.; G. F. Stephens, Esq.; W. A. Matheson, Esq.; E. S. Popham, Esq., M.D.; W. R. Bawlf, Esq.; Hon. W. B. Willoughby, K.C.

At a subsequent meeting of the Directors, J. T. Gordon, Esq., was re-elected President; William Harvey, Esq., B.L., First Vice-President; E. S. Popham, Esq., M.D., Second Vice-President; and the following the Executive Committee with Mr. J. T. Gordon, Esq., as chairman; J. T. Gordon, Esq., Wm. Harvey, Esq., B.L., E. S. Popham, Esq., M.D., J. A. Girvin, Esq., M. Bull, Esq., P. C. McIntyre, Esq.

CANADIAN PACIFIC

DAILY TRAIN SERVICE

TORONTO-WINNIPEG-VANCOUVER

Leave Toronto 7 p.m.
Arrive Winnipeg 12.10 p.m. (Second Day)
Arrive Vancouver 10.05 p.m. (Fourth Day)

THROUGH EQUIPMENT

Compartment Observation Cars, Standard and Tourist Sleeping Cars, Dining Car, First-Class Coaches, Colonist Cars, Toronto to Vancouver.

A round-trip ticket to the Pacific Coast via the "Canadian Pacific" permits a wide diversity of routes without additional charge.

CANADIAN PACIFIC HOTELS IN WESTERN CANADA OPEN ALL THE YEAR ROUND

"Royal Alexandra," Winnipeg; "Palliser Hotel," Calgary; "Vancouver Hotel," Vancouver; "Empress Hotel," Victoria

Passengers for California should arrrange their trip to include the Canadian Pacific Rockies

Particulars from Canadian Pacific Ticket Agents. W. B. HOWARD, District Passenger Agent, Toronto

The Toronto General Trusts Corporation

Report of the Proceedings of the Thirty-Seventh Annual General Meeting

The Thirty-seventh Annual Meeting of the Shareholders of The **Toronto General Trusts Corporation** was held in the Board Room of the Corporation's Head Office, corner of Bay and Melinda Streets, Toronto, on Wednesday, the Fifth of February, 1919.

The President, Hon. Featherston Osler, K.C., D.C.L., took the chair, and Mr. W. G. Watson, Assistant General Manager, acted as Secretary of the Meeting.

Mr. A. D. Langmuir, General Manager, submitted and commented upon the financial statements, showing the operations of the Corporation for the year ended 31st December, 1918.

The report of the Shareholders was then read as follows:—

TO THE SHAREHOLDERS:

Your Directors have pleasure in submitting the Thirty-seventh Annual Report of the Corporation, together with the usual statements showing its operations for the year ended the 31st of December, 1918.

The gross profits for the year, after providing for all ascertained or anticipated losses, amount to $654,130.64. The administration expenses, including salaries, Directors' and Auditors' fees, advertising, rent, etc., amount to $332,161.62. This, you will observe, makes our net profits for the year $321,969.02. To this amount must be added $101,443.11 brought forward on the 1st of January, 1918, making a total of $423,412.13, which has been dealt with by your Directors as follows:—

To payment of four quarterly dividends at the rate of ten per cent. per annum	$150,000.00	
To payment to the Shareholders of one per cent. bonus on the paid-up Capital Stock of the Corporation	15,000.00	
		$165,000.00
To amounts subscribed to Canadian Patriotic and other War Relief Funds		13,000.00
To amount provided for 1918 Federal Income Tax payable in 1919		12,000.00
To amount written off Head Office Building and Safe Deposit Vaults		30,600.00
To amount transferred to Reserve Fund (increasing this Fund to $2,000,000)		50,000.00
To balance carried forward to credit of Profit and Loss		152,812.13
		$423,412.13

The Assets and Liabilities Statement shows an increase of assets over the preceding year of $7,545,847.11, making the total volume of assets now in the hands of the Corporation $90,832,629.80.

The subscriptions to the Canadian Patriotic and other Funds which the Board of Directors have made on your behalf will be submitted for confirmation at the Annual Meeting.

All which is respectfully submitted,

A. D. LANGMUIR, General Manager.

FEATHERSTON OSLER, President.

Toronto, January 21st, 1919.

ASSETS AND LIABILITIES STATEMENT

For the Year Ended 31st December, 1918

ASSETS

CAPITAL ACCOUNT—			
Mortgages on Real Estate		$ 1,983,946.91	
Government and Municipal Debentures		604,881.67	
Loans on Debentures, Stocks and Bonds		83,006.43	
Loans or Advances to Trust Estates and Guaranteed Mortgage Accounts under Administration by the Corporation		278,350.00	
Real Estate—			
Office Premises and Safe Deposit Vaults at Toronto and Ottawa	$750,000.00		
Accrued Rents re Offices and Valuts at Toronto and Ottawa	5,860.36		
		755,860.36	
Cash on hand and in Banks		53,398.98	
			$ 3,759,444.35
GUARANTEED ACCOUNT—			
Mortgages on Real Estate		$ 6,969,135.02	
Government and Municipal Debentures		1,100,491.34	
Loans on Debentures, Stocks and Bonds		10,690.00	
Cash on hand and in Banks		105,567.61	
			$ 8,185,883.97
ESTATES, TRUSTS AND AGENCIES—			
Mortgages on Real Estate		$13,705,260.26	
Government and Municipal Debentures		9,097,054.43	
Stocks and Bonds		1,128,988.81	
Loans on Debentures, Stocks and Bonds		833,843.19	
Cash on Hand and in Banks		1,014,234.39	
			$25,779,381.08
Original Assets, including Real Estate, Mortgages, Debentures, Stocks and Bonds, etc., at Inventory Value		53,107,920.40	
			$78,887,301.48
[illegible]			
			$90,832,629.80

LIABILITIES

CAPITAL ACCOUNT—			
Capital Stock	$1,500,000.00		
Reserve Fund	2,000,000.00		
		$ 3,500,000.00	
Dividend No. 90, due January 2nd, 1918	$ 37,500.00		
Bonus of One per cent., payable Jan. 2nd, 1919	15,000.00		
		52,500.00	
Interest in Reserve		35,000.00	
Appropriation for Federal Income Tax and Sundry Accounts		19,132.22	
Profit and Loss		152,812.13	
			$ 3,759,444.35
GUARANTEED ACCOUNT—			
Guaranteed Funds for Investment		$ 8,185,883.97	
			$ 8,185,883.97
ESTATES, TRUSTS AND AGENCIES—			
Trust Funds for Investment or Distribution		$25,779,381.08	
Inventory Value of Original Assets of Estates and Agencies under Administration by the Corporation		53,107,920.40	
			$78,887,301.48
			$90,832,629.80

PROFIT AND LOSS STATEMENT

For Year Ended 31st December, 1918

By Balance brought forward from 31st December, 1917		$101,443.11
By Commissions received for administering Estates, acting as Trustee, Agent, etc.; Interest on Capital and Reserve; Profits on Guaranteed Funds; Net Rents from Office Buildings, Safe Deposit Vaults, etc.	$654,130.64	
To Management expenses, including salaries, Directors' and Auditors' fees, advertising, rents, taxes, etc.	332,161.62	
Net Profits for Year		321,969.02
		$423,412.13

APPROPRIATED AS FOLLOWS:—

To Quarterly Dividends, Nos. 87, 88, 89 and 90, at the rate of 10% per annum	$150,000.00	
Bonus of One per cent., payable January 2nd, 1919	15,000.00	
		$165,000.00
To Amounts subscribed as follows:—		
Canadian Patriotic Fund	$ 10,000.00	
Y.M.C.A. Military Fund	1,000.00	
British Navy League	1,000.00	
Catholic Army Huts	500.00	
Belgium Relief	250.00	
Secours National	250.00	
		13,000.00
To Amount provided for 1918 Federal Income Tax		12,000.00
To Amount written off Head Office Building, including Safe Deposit Vaults		30,600.00
To Amount transferred to Reserve Fund		50,000.00
To Balance carried forward		152,812.13
		$423,412.13

AUDITORS' REPORT

We, the undersigned, beg to report that we have made a full examination of the books, accounts and vouchers of The Toronto General Trusts Corporation to 31st December, 1918, and find same to be correct and properly set forth in the above statements of Profit and Loss and Assets and Liabilities.

We have examined, and find in order, all the mortgages, debentures, bonds and scrip of the Corporation, as well as those negotiated for the Supreme Court of Ontario, and Trusts, Estates and Agencies in the Corporation's hands, and we have checked same with the mortgage and debenture ledgers and registers.

The Trust investments and funds are kept separate from the Corporation's own securities and funds, and all securities are so ear-marked in the Books of the Corporation as to show the particular Estate, Trust or Guaranteed Account to which they belong.

The Bankers' Balances, after deducting outstanding cheques, agree with the books of the Corporation.

All our requirements as Auditors have been complied with.

We have also examined the reports of the Auditors of the Winnipeg, Ottawa, Saskatoon and Vancouver Branches, and find that they agree with the Head Office books.

R. F. SPENCE, F.C.A. "Can." } Auditors
J. GEORGE, F.C.A. "Can." }

Toronto, January 21, 1919.

The President, the Hon. Featherston Osler, K.C., D.C.L., in moving the adoption of the Report, which was seconded by Brig.-General Sir John M. Gibson, K.C.M.G., LL.D., addressed the Shareholders as follows:—

The Directors have pleasure in submitting their Annual Report and Financial Statement for the year ended 31st December, 1918. This report—the 37th which successive Boards of Directors have laid before their shareholders—records, like its predecessors, the continued growth and prosperity of the Corporation, and the favor with which it is regarded by the public. It is hardly necessary for me to enlarge upon this, as the facts and figures set forth in the statement speak for themselves. The volume of business taken care of has very substantially increased, while, out of the net profits of the year, amounting to $321,969.02, after providing a reasonable return to the shareholders upon their investment, and for the other payments and charges which appear in the statement, the sum of $50,000.00 has been added to the Reserve Fund, which now stands at $2,000,000, and a balance is carried forward to the credit of Profit and Loss of $152,812.13.

Information of interest to the Shareholders will be given at length in the address of the General Manager, and a Resolution will be submitted for your approval confirming the grants to the Canadian Patriotic Fund and other War Relief purposes.

The great War 1914-18—the greatest and most destructive of life and property in the World's history—has now, so far as it depended upon the arms of Great Britain, her Dominions and Allies, been brought to that victorious conclusion of which we never doubted, and the only results to which we look forward with anxiety are those which may flow from the action of the Peace Conference, and which it is useless here to anticipate. We have, it is true, as a Dominion, incurred an enormous national debt obligation in maintaining the splendid part taken by us in the War, and we have assumed great moral and material obligations for the future, but these we shall rise to meet in the same spirit in which we incurred them, and, inheriting such a country as ours, we may meet that future with a confident hope, and take such part as falls to our lot in solving the questions relating to the welfare of the World. These are matters of extensive view, but I may be pardoned for alluding to them at such a time as this if it helps to emphasize the fact that it is only by each of us doing his own part that the great whole can be accomplished. Some one may ask: What has this to do with a Financial Corporation? I think a great deal. Such Corporations are part of the business life of the community, and their success or failure means much. Every shareholder in such a concern ought to feel himself interested in it far beyond the mere pecuniary return it makes to him, and should do what lies in his immediate power to manifest his confidence in it by using it in one or more of its various activities. These I need not again particularize, for they have often been brought to your notice, and if our shareholders will only bear it in mind, the Corporation need have no anxiety for the future.

The President then called upon Mr. A. D. Langmuir, the General Manager, to address the Shareholders.

Mr. Langmuir said:—It is proper that I should preface any remarks which I have to make on this, the occasion of the Corporation's 37th Annual Meeting of Shareholders, by expressing our gratification and deep thankfulness that the war which has engrossed so entirely the energies of the whole World has been brought to a victorious end. It is to be hoped that the great principles underlying the ideals which are under consideration for the reconstruction of the World will make worth while the great sacrifices which this terrible war has entailed on humanity, and that the terms and conditions of settlement to be arranged at the present Conference will bring about such an understanding as will prevent future wars, as well as provide a basis for the improvement of the social, industrial, and financial conditions the World over.

We, as Canadians, cannot but feel proud that our Country recognized so instantaneously the duties which devolved upon us to supply men, money and munitions, so eminently necessary to the successful issue of the conflict, the result of which efforts has placed Canada before the World in a position that can never be forgotten.

We desire to place on record our admiration of those members of our staff who so promptly responded to the Empire's call, four of whom have been called upon to make the great sacrifice by giving up their lives for their country.

The positions which our men who have survived the war held with the Corporation have been kept open, and all of them who desire to come back into the service of the Corporation will be welcome to do so.

As to the part taken by The Toronto General Trusts Corporation in the matter of financial support to the Patriotic, Red Cross, and other War Relief Funds, our subscriptions have come before you from year to year for confirmation, and speak for themselves.

The Report of your Directors showing the results of the year's operations, and the statements setting forth the sources of profits, and the business assumed, all of which have been fully explained, will, I am sure, be received with satisfaction.

The most gratifying result of the year's business is the increased volume of new estate work which has been entrusted to the Corporation for care and management, amounting to the sum of $12,737,961.97, the largest amount received in any single year in the history of the Corporation, and being an increase over that of the preceding year of $2,647,314.00. Satisfactory as this evidence is, there are other indications of equal importance which go to show in a large measure the trend of the public mind in the matter of corporate administration of Estate expressed in the large number of enquiries both by correspondence and personal interviews seeking information, as well as in the increasing number of Wills which have been filed with the Corporation for safe keeping.

Although the opportunity has been taken on previous occasions, when presenting the Annual Report, of emphasizing the fact that the charges or remuneration of The Trusts Corporation for acting as Executor and Trustee are only the usual allowances granted by the Courts to individuals acting in the same capacity, it will not be out of place to again refer to the matter at the present time. The character of the assets comprising an estate coming into the possession of an Executor, Administrator or Trustee for administration and management, combined with the size of the estate, must of necessity be to a large extent the determining factor in fixing the rate of compensation. Some estates comprised of Stocks and Bonds, Life Insurance Policies, etc., entail a minimum of trouble, whereas other estates having going businesses to be disposed of, Real Estate, Mortgages, etc., require a greater degree of time and attention, consequently entitling the Company to be remunerated in proportion to the responsibility and work assumed. All, however, receive expert attention in the various departments provided for that purpose; notwithstanding these facts, Trusts Companies are one of the few businesses, indeed, I might say, the only one, the charges for whose services have not been increased in recent years, although the cost of operation has increased in the same manner as in all other businesses, owing to increased salaries, war bonuses, largely increased taxation, increased cost of money, in fact all the thousand and one items of expense that are incident to the management of such an Institution as ours.

In considering this matter and the volume of Estates business in the hands of the Corporation, it will no doubt be of interest to you, as well as to the public, to ascertain just what remuneration the Corporation receives from year to year through its administration of this great body of Trust and Agency assets. In order, therefore, that you may have a fair statement of the case, I shall go back for a period of three years, and show the percentage of gross income or remuneration the Corporation has received from the total volume of Trust and Agency assets under its control from year to year, and the percentage that this remuneration bears to the assets in hand, and for this purpose we shall treat the assets which were on hand at the beginning of each year, rather than the increased amount at which our Trust business stood at the end of the year:—

	Trust and Agency Assets	Remuneration received	Percentage of remuneration to assets
1916	$58,740,311.78	$226,900.06	.38%
1917	64,692,318.60	232,985.84	.36%
1918	70,721,368.67	255,619.08	.36%

This remuneration, of course, includes the Corporation's commission for receiving and disbursing the income, as well as for the care and management of the Capital and realization and investment of same. It must therefore be obvious that the margin of net profits in connection with the administration of estates is so narrow that it is only in the volume of business that a Trust Company can hope to make any profit whatever in this Department of the Corporation's business.

You will have observed in the statement of the Corporation's Assets, that the total volume of Trust and Agency business of which the Corporation is Custodian, amounts to the sum of $78,887,301.48. This large volume of assets is represented by the following investments and securities:—

INVESTMENTS MADE BY THE CORPORATION.

Dominion Government and Provincial Bonds	$ 3,690,697.59	
Municipal Debentures	5,406,356.84	
Mortgages on Real Estate	13,705,260.26	
Stocks and Bonds	1,128,988.81	
Loans on Debentures, Stocks and Bonds	833,843.19	
Cash on Hand and in Banks	1,014,234.39	
		$25,779,381.08

ORIGINAL ASSETS OF ESTATES.

Real Estate	$13,495,127.98	
Debentures, Stocks and Bonds	30,419,349.15	
Mortgages	6,157,414.14	
Miscellaneous Assets	3,036,029.13	
		$53,107,920.40

The Assets and Liabilities statement shows a very large net increase in the volume of assets under administration during the past year, amounting to the sum of $7,545,847.11, the total assets now aggregating $90,832,629.80. In this connection it should be mentioned that of the cost of improvements to the Ottawa Building amounting to $28,544.40, the sum of $25,000 has been added to the value of the building, leaving this asset in the books of the Corporation at $200,000.

Statements are sometimes heard that Trust Companies make a practice of realizing on investments made by a Testator, although the occasion for doing so is not warranted by the necessities of the estate; this, of course, is not the case, and I am sure the above amount of original unrealized assets is sufficient evidence of proof to the contrary. The trouble, however, in many instances is that the Testator in his Will does not provide or give any discretion for the retention of investments made in his lifetime, consequently his trustees are left no alternative but to realize the estate securities that are not Trustee investments, within a reasonable period. This question of the realization of securities or the postponement of same in the hope that better conditions may obtain, is the cause of a great deal of anxiety and much thought on the part of your Directors and the Management. Our clients may rest assured, however, that every case is specially and thoroughly considered before a conclusion is reached.

INVESTMENT AND INTEREST RETURN.

The effect of four and a half years of war and its bearing on the interests of Trust Companies is reflected perhaps more in the Investment side of our operations than in other departments. High rates of interest offered by Dominion and Provincial Governments on their securities, and by Municipalities on their debentures, have for the time being restricted the flow of funds received for investment by the Corporation on its Guaranteed Plan, with a consequent reduction of the amount of funds available for this account. It has been very difficult for Trust Companies to compete with these high rates, as not only the cost of administering such funds has considerably increased, but the rates of interest obtainable on Western Mortgages, in which a large proportion of Guaranteed Funds are invested, have shown a downward tendency, besides a great decrease in the demand for such loans during the war. This condition, however, we believe, can only be of a temporary character, and we confidently expect, now that the war has ended, to see normal conditions again assert themselves, and with that, an increase in funds for investment on Guaranteed Account.

On the other side, the demand for mortgage loans, by reason of the almost entire suspension of building operations during the war period, and the falling off of immigration, has been greatly reduced. Maturing mortgages in Ontario, have, as a general rule, been renewed at the increased current rates of interest, although in the Western Provinces, for the reason, no doubt, of the excellent profits realized by the farmers for their produce, very substantial reductions have been made on account of the principal of their loans.

In consequence of these conditions, although a considerable amount of mortgage investments have been obtained, the larger portion of our Trust funds have been invested in the past year in Dominion of Canada, Provincial Bonds, and Municipal Debentures.

To better understand the change effected in the investments negotiated by the Corporation since the outbreak of war in 1914, the following comparison will be of interest:—

Percentage of mortgage investments to total amount invested 1914, 77%.
Percentage of mortgage investments to total amount invested 1918, 65%.
Percentage of Bonds and Debentures to total investments 1914, 23%.
Percentage of Bonds and Debentures to total investments 1918, 35%.

Similar results, no doubt, have been experienced in a greater or less degree by institutions kindred to our own. Notwithstanding, however, these changes in the classes of our investments, we are pleased to report that the security has in no wise been lessened, nor have our clients experienced any diminution in the rate of interest return, but rather an increase, which is of such great moment in these times when the cost of living is so high.

The income received from our Capital and Reserve Funds requires no special explanation except perhaps to state that the amount invested in our Office Buildings and Safe Deposit Vaults at Toronto and Ottawa is producing a fair return, and all the offices are satisfactorily leased. During the past year very considerable improvements have been made to our Ottawa Branch Building. The offices heretofore occupied by the C. P. R. have been taken over and incorporated with the former offices in which the Corporation was located. The advantages of the increased accommodation, which was greatly needed, and the more prominent location, your Directors feel, will be reflected in an increasing volume of business from our Ottawa Branch.

With regard to our Mortgage Investments, I am pleased to say that the interest and instalments of principal have been met in a most satisfactory manner. Our investments in this class of security in the Province of Ontario aggregate $15,928,156.15, and 97.97% of the total interest which matured during the year, including arrears brought forward from the preceding year, has been collected. The average rate of interest on these mortgage investments is 6.39%, being a small increase over that of the preceding year. It will be of interest to the shareholders and our clients to learn that the average interest rate on our mortgage investments in Ontario has increased from 5.34% in 1910, to 6.03% in 1914, and to 6.39% in 1918, or an increase over 1910 of 1.05%.

Respecting our Mortgage Investments in the Western Provinces of Manitoba, Saskatchewan and Alberta, amounting to $6,336,468.36, 80% of the interest charged during the year, including arrears brought forward from 1917, has been received. The average rate of interest on Western Mortgages for 1918 was 7.70%.

SAFE DEPOSIT VAULTS

A most satisfactory number of compartments have been leased during the year in our Safe Deposit Vaults both at the Head Office and at Ottawa, so much so that additional nests of compartments have been added in both vaults, in order to keep pace with the demand. Undoubtedly this increased business is largely accounted for by the great number of people who have subscribed for Victory Bonds, and who now require a safe depository for these securities and other valuable papers. A very considerable amount of literature giving details and particulars with regard to our building and Vault construction has been distributed, and we are looking for a large increase in connection with our Safe Deposit Vault business during the next few years.

In the matter of the Corporation's profits for the year, our gross profits show an increase of $32,682.75 over the preceding year, being $654,130.64, as compared with $621,447.89. The management and all administration expenses, including advertising, taxes, etc., for the year, amounted to $332,161.62, as against $320,561.78 for the preceding year, or an increase of $11,599.84, the net profits for the year being $321,969.02, or an increase of $21,082.91 over 1917. These profits, with the balance brought forward from the preceding year of $101,443.11, left a total of $423,412.13 to be dealt with by your Directors. The disposition of this amount is clearly set out in the Profit and Loss Statement, and outlined in the Directors' Report, and I shall therefore not go into the matter in any great detail. In addition to the usual dividend of 10%, a bonus of 1% to the shareholders was paid out of the above fund; Patriotic and War Relief subscriptions made to the extent of $13,000, and an amount of $30,600 written off our Head Office Building and Safe Deposit Vaults, thereby leaving this asset in the books of the Corporation at $550,000. You will observe that while $50,000 was transferred to Reserve, making our Reserve Fund a round Two Million Dollars, we carried forward to the credit of Profit and Loss $152,812.13, or an amount over $50,000 in excess of the balance carried forward in the preceding year.

In conclusion, I desire to thank the Advisory Boards at Ottawa, Winnipeg and Vancouver for the great interest which they have taken in advancing the interests of the Corporation, and also the officers and staff of the Corporation generally for the efficient and conscientious manner in which they have discharged their duties during the past year.

The Report was unanimously adopted.

It was then moved by Mr. F. C. Jarvis, seconded by Mr. Herbert Langlois, and resolved, that the following shareholders be and are hereby appointed Directors for the current year, namely:—Hamilton Cassels, K.C., LL.D.; Hon. Senator W. C. Edwards, Brig.-General Sir John M. Gibson, K.C.M.G., LL.D.; Arthur C. Hardy, John Hoskin, K.C., LL.D., D.C.L.; Lieut.-Col. R. W. Leonard, Thomas Long, J. Bruce Macdonald, Hon. Sir D. H. McMillan, K.C.M.G.; W. D. Matthews, Hon. Peter McLaren, Lieut.-Col. John F. Michie, Sir Edmund B. Osler, Hon. Featherston Osler, K.C., D.C.L.; J. G. Scott, K.C.; Sir Edmund Walker, C.V.O., LL.D.; E. C. Whitney, Wellington Francis, K.C.; E. T. Malone, K.C.; H. H. Williams.

At a subsequent meeting of the Directors the following officers were elected:—President, Hon. Featherston Osler, K.C., D.C.L.; Vice-Presidents, Hamilton Cassels, K.C., LL.D., and Brig.-Gen. Sir John M. Gibson, K.C.M.G., LL.D.

A Time To Be Cautious

It is no doubt a time to be cautious. But it is possible to be over cautious. There is no reason why a man should leave his money on deposit when he could as easily and with equal safety obtain 5½% by investing it in

Mortgage Corporation 5½% Debentures

At the present time, Mortgage Corporation 5½% Debentures form a profitable and safe investment for idle money.

Interest at 5½% is payable in cash on the day it is due. Principal on the date agreed upon.

The busy or inexperienced investor has no worry, no watching of values and markets. His security never shrinks.

Not a dollar has ever been lost by an investor in these Debentures.

An interesting booklet about "PROFITS FROM SAVINGS," which gives some very valuable advice, will be sent free on request. Write for it to-day.

Paid up Capital and Surplus Funds - - $3,362,378.63

STANDARD RELIANCE MORTGAGE CORPORATION
HEAD OFFICE—TORONTO

Branch Offices:
AYR, ELMIRA, BROCKVILLE, NEW HAMBURG, CHATHAM, WOODSTOCK

RECONSTRUCTION FOR CRIPPLES ON ECONOMIC LINES

Some Practical Suggestions For Benefit of the Manufacturer

HOW IT WORKS OUT

Scientific Rehabilitation Can Be Made a Useful Aid to the Unfortunate Worker and a Relief to His Employer

By DOUGLAS C. McMURTRIE
Director Red Cross Institute for Crippled and Disabled Men, New York.

In the past, our method of dealing with men permanently disabled in the course of employment has been to pay the worker a pension in the form of compensation, and forget him and his injury. But the cost of disability to industry has not been alone in the premiums paid for casualty insurance. There has been the cost involved in the training experience, and adaptation of a skilled worker who does not return to his job, and fitting of a newcomer to take his place.

There are three means of reducing and approaching the complete elimination of the cost of disability: first, accident prevention; second, thorough medical attention to minimize the disability resulting from the injury; and third, salvage of the remaining abilities of the worker through rehabilitation for self-support. The first of these has already received wide attention from employers, and has wisely been encouraged in a financial way by casualty insurance companies and state funds. The values of the two latter have, however, not as yet been appreciated. Their energetic application would effect a tremendous saving to industry.

Many injuries from which men would completely recover in a short time under adequate and high-grade medical attention are treated for an insufficient time, or by incompetent physicians and, instead of a prompt return to work, the case at best drags along over an extended period, and at worst becomes chronic or develops into permanent disability. Some states require the insurance carrier to provide but two weeks of compulsory free medical attention to the injured man. For the insurance company to take advantage of this limitation is the most short-sighted policy possible, because for every dollar saved in physicians' or hospital fees, the insurance carrier pays out later ten dollars in compensation. And what the insurance company pays is actually paid by the insuring employers in their regular premiums.

Unlimited medical attention of the highest grade should be an axiom of casualty practice. It should be insisted upon by employer and workman alike. The best outcome of any injury is to have the employee return to his job as a well man in the shortest possible time. It is well to develop a science of dealing with cripples, but the ideal is to have fewer and fewer cripples with which to deal.

Science of Rehabilitation

The third method of attack on the cost of disability is rehabilitation for self-support—the re-education of an injured man for an occupation which he can follow, or a process which he can perform, in spite of his handicap. The science of rehabilitation is new, and the experience in it has practically all been gained in the effort to make sound and just provision for the disabled soldier or sailor. Every country among the recent belligerents is to-day operating a comprehensive system of re-education for disabled soldiers, and is placing upon that system more dependence than upon the pension system.

Paying a man a small monthly or weekly stipend, on which he is expected to live in idleness, is not a very constructive method. With the breakdown of confidence in the pension system, it was realized that the only real compensation for disablement was restoration of capacity for self-support. It was further realized that very few jobs require all the physical faculties, and that in the present-day variety of industrial processes, it is possible to find a job in which a man with a given type of disability can function 100 per cent. efficient. Some jobs are standing, some seated, others require walking about, some jobs at a bench working on small articles require but little strength, others involve great physical exertion. Still others do not require the sense of hearing; in others the sense of sight is not essential. Finding the future work of the disabled man, therefore, requires expert and painstaking choice, but a successful selection is possible even for the seriously handicapped. The first aim is to place the man back in a different job in his own trade, or in a trade closely related. In such a job his past experience will stand him in good stead. Failing this he can be re-trained for a different line.

System of Re-Education

The process of re-training the disabled is known as re-education, and can best be provided in a special school for crippled men. The first school of this kind in the United States is the Red Cross Institute for Crippled and Disabled Men, established in New York City through the generosity of Jeremiah Milbank. At this school, open to disabled civilians and soldiers alike, six trades are already being taught: artificial limb making, motion picture operating, oxy-acetylene welding, printing, jewelry work, and mechanical drafting. More will be added as the demand develops. Graduates are already giving satisfaction in the jobs to which they have been graduated, so the enterprise has passed the experimental stage. And in the results attained with disabled soldiers abroad there is overwhelming evidence of the logic and practicality of rehabilitation.

The cost of soldier rehabilitation is being met by the United States Government and by the Governments of some of our allies. It will be admitted without argument as desirable that the advantages of re-education be made available to disabled civilians as well, but will not the cost be prohibitive? The fact is that rehabilitation effects a reduction rather than an increase in the cost of disability to industry or to the community as a whole.

A Typical Case

A typical case will illustrate how the saving is effected. A worker in Massachusetts was injured by a fall while working inside a submarine and his hand became permanently crippled. In due course his compensation rate was determined and he was referred to the insurance carrier to be paid ten dollars a week for a long period, with a maximum total payment of four thousand dollars. Since the disability was manifestly permanent the insurance company wrote the case off their books as a four thousand dollar loss, and transferred that amount to reserve to cover the weekly payments. After the compensation had been paid for nearly a year, a new official of the insurance company began looking over the list of men to whom the company was paying compensation. His attention was directed to the man in question, and the latter was requested to call at the office of the company. The case was, like many thousands of others, susceptible of rehabilitation for self-support, so the insurance company official put a proposition to the man in very frank terms: "I believe that you can be trained to earn a good living. I want you to understand very clearly, however, that this proposal is to the financial advantage of the company, but I also believe it is to your advantage as well. A total income of ten dollars a week is not very attractive to you, and you would probably rather return to work at a good wage than remain idle. If you will consent, the company will send you to a school of re-education, and see if we cannot get you back on your feet in good shape."

The injured man consented to the proposal, and the company sent him to the Red Cross Institute in New York. They began to pay him, not ten dollars a week as required by law, but forty dollars a week, twenty to him in New York and twenty to his wife at home. The company also paid liberally his travelling expenses in both directions. In the period of eight weeks he was re-educated in oxy-acetylene cutting and welding and returned home. He is now making not only a satisfactory wage, but twice as much as he had ever earned before the accident took place.

Benefits Are Mutual

In the whole transaction every partly at interest was benefited. The man was advantaged in that his general living standard was distinctly raised, and the necessity of working for his living could not be considered as a hardship. The company paid less than five hundred dollars for his rehabilitation, and this expense in conjunction with the five hundred dollars already paid in weekly compensation during the first year of idleness made a total for the case of one thousand dollars. They were thus enabled to charge three thousand dollars of profit to the account of profit and loss. The community was infinitely the gainer in that the man, formerly an unproductive consumer, became a useful producer instead. The community further gained in the elimination of the disabled man from the category of a prospective dependent, because while compensation might have taken care of him in a very insufficient way during the period of idleness, there would have come a time when compensation ceased and then he would have been in a desperate economic status indeed—confirmed in habits of idleness, untrained for skilled work, and without any source of support.

A more intelligent handling of disability by insurance carriers will, therefore, reduce their expense, and will thus cut the cost of casualty protection to the employer.

Imperial Munitions Board Offer For Sale

PLANT AND EQUIPMENT (IN PART) OF

British Cordite Co., Ltd., Nobel, Ont.

TENDERS, accompanied by marked cheque for 5% of the amount of the bid, will be received by the undersigned up to and including February 20th, 1919, for the purchase of the following, located at Nobel, Ontario:—

ITEM NO. 1. POWER HOUSE.—Building of steel frame construction on concrete foundations.

Boiler-room Equipment.—10-400 H.P. Wickes, vertical, water tube boilers, equipped with Murphy Automatic Stokers and 2-1 ton coal-weighing lorries.

Ash Handling System—American Steam Jet Ash Conveyor.

Power-House Equipment.—3 Turbo Generators, 3 phase, 2200 volt, 60 cycle; 1-750 K.W. Allis Chalmers; 1-500 K.W. General Electric; 1-1000 K.W. Westinghouse-Parsons, complete with Westinghouse LeBlanc Jet Condenser and 80 H.P. Sturtevant Turbine direct connected to Booster Pump; 1-25 K.W. Westinghouse-Turbo Exciter Set, 125 volt; 1-25 K.W. Canadian Fairbanks-Morse Motor Exciter Set, 550-volt motor, 125-volt generator; 1-30 K.V.A. constant current transformer.

Switchboard—11 panels fully equipped, 1-10 K.V.A., 2200-110 volts and 3-40 K.V.A., 2200-550 volts, Pittsburgh Transformers; 2-18 x 10 x 12 Worthington Fire Pumps; 2-14 x 22 x 14 x 16 Ingersoll-Rand Air Compressors; 2-No. 785 Cochrane feed water heaters; 4 Alberger heaters; 2 Frick Ammonia Compressors, 30 and 70-ton capacity; 2 4" Goulds Centrifugal Pumps, direct connected to 15 H.P. motors; 4 1¼ x 8 and 2 5½ x 8 Deane Single Acting Triplex Pumps, belt driven; 1 42 x 10½ x 48 Hydraulic Pnuematic Accumulator.

ITEM NO. 2. PUMPING STATION.—Equipment.—6-9 x 12 Aldrich Triplex Pumps, directly connected to 40 H.P. Canadian Fairbanks-Morse, 550 volt, 40 amp., 60 cycle, 3-phase motor, with starting compensators and switch boxes; capacity 500 gallons per minute; 3-75 K.V.A., 2200-550 volts and 1-550-100 volts Pittsburgh Transformers.

ITEM NO. 3. MACHINE TOOLS.—18" Engine Lathe; 20" Drill Press; No. 4 Power Saw; Keyway Cutter; 16" Stroke Shaper; 10" Emery Wheel Stand; No. 34 Little Giant Screwing Machine with taps and dies.

ITEM NO. 4. TANKS.—Steel Horizontal—33—6′ to 20′ diameter. Steel Vertical—41—3′ to 8′ diameter.

ITEM NO. 5. STOVES.—7 Nos. 41 and 42 Quebec Heaters, 5 Oxford Ranges and 16 Oil Stoves.

ITEM NO. 6. STEEL CANS.—12,900 Steel Cans, with lugs and lids, 11½" x 12" x 3-32".

ITEM NO. 7. COTTAGES. — 15 Cottages, frame construction, 20′ x 34′.

ITEM NO. 8. PRESSES.—8 Dehydrating Presses (Hydraulic).

ITEM NO. 9. PUMPS.—8 Gardner Duplex Pumps, 7" x 3½" x 10".

ITEM NO. 10. WRINGERS.—20 Centrifugal Wringers 24".

ITEM NO. 11. STOCK DRYERS.—3 Sargent (Stock Dryers).

ITEM NO. 12. PICKER MACHINES.—3 Davis and Furber Picker Machines 36".

ITEM NO. 13. KNEADERS.—52 Kneader Machines.

ITEM NO. 14. PRESSES.—19 Darling Presses (Hydraulic). 22 Inglis Presses (Hydraulic).

ITEM NO. 15. PUMPS.—46 Hydraulic Triplex Worthington Pumps, 1 x 4 for 2,000 pounds pressure.

ITEM NO. 16. PUMPS.—10 Vertical Triplex Single Acting, belt driven Worthington Pumps, 3½" x 6" for 250 pounds Pressure.

ITEM NO. 17. PUMPS.—6 Aldrich Pumps, Vertical, Triplex, Back plunger of the solid water end type, double reduction, direct geared for 900 R.P.M. Motor, 9" x 12", Cap. 500 G.P.M., lift 150′.

ITEM NO. 18. BELTING.—A quantity of leather and rubber belting.

Tenders for these items in whole or in part will be considered. The owner will dismantle and load on cars; bids are to be made on this basis. Intending purchasers will be given every facility to inspect the buildings and equipment. Complete information may be obtained from the undersigned.

The highest or any tender not necessarily accepted.

Cheques from unsuccessful bidders will be promptly returned.

R. HOME SMITH
AGENT IMPERIAL MUNITIONS BOARD
18 KING STREET WEST, TORONTO, ONT.
Phone, Ad. 1590.

Sale of Pulpwood Lands

in Northern Ontario

The Lake Superior Corporation and Algoma Eastern Railway Company are open to negotiate for the disposal of certain lands

Approximately 682,000 Acres

situated for the most part in that section of Northern Ontario known as the Clay Belt, and comprising the Townships of Storey, Langemarck, Dowsley, Nassau, Shetland, Staunton, Orkney, Magladery, Caithness, Rykert, Doherty, Whigham, Coppell, Newton, Dale, McOwen, Frater.

The lands in question are accessible to the Algoma Central, Trans-Continental, Canadian Northern, and Canadian Pacific Railways, and should be of particular interest to pulp and paper makers, also to settlers, in view of their agricultural possibilities.

General information will be furnished and plans exhibited at the office of Mr. Alex. Taylor, secretary of the Lake Superior Corporation, 1428 Bank of Hamilton Building, Toronto, or at the office of Mr. G. A. Montgomery, vice-president of the Algoma Eastern Railway Company, Sault Ste. Marie, Ont.

GOLD AND CREDIT AND PROBLEMS OF RECONSTRUCTION

An Argument For Unified Financial Policy and Co-operation of Bankers

FOR READJUSTMENT

Emergency Measures Advocated Until Economic Structure Shall Be Brought to Normal Equilibrium

By O. M. W. SPRAGUE
Converse Professor of Banking and Finance, Harvard University.

The process of industrial readjustment to a peace basis throughout the world will be seriously impeded if banks are unable to furnish credit in large volume. A liberal policy in granting credit, bold and at the same time discriminating, will enable those engaged in producing goods for civilian use to obtain much needed resources. This policy will also do much to prevent a fall in prices so rapid and extreme as to occasion general industrial disorganization and depression. A moderate decline in prices after the return of peace should cause no serious trouble. Credit contraction on an extensive scale would precipitate a sharp decline, which could hardly fail to have disastrous consequences.

The need for credit during the period of reconstruction will be so imperatively important that it must somehow be met, even though the credit structure, now greatly enlarged in all belligerent countries, except the United States, rests upon a slender gold foundation when judged by accepted standards. Were the lending power of banks subject to domestic influences alone, it would seem reasonably certain that they will be able to furnish credit in large volume for peace purposes. Gold has been concentrated as never before in central banking institutions, and so has become a more solid foundation for currency and credit. The importance of the conservation of gold for bank reserve purposes is clearly perceived. To return to the use of gold for hand to hand payments would be most wasteful, and will not be desired by the people of any country, judging from the experience of countries in which currency has been substituted for gold in the past. Withdrawals of gold from the banks for domestic purposes are not, therefore, to be anticipated unless confidence in the credit system of a country is lacking.

When practically all payments within a country are made with checks and currency, the expansion of credit does not directly occasion gold withdrawals. It merely reduces the ratio of gold to demand liabilities, bank notes, and deposits. This ratio is undeniably regarded by many as of primary importance in determining the strength of a bank or of a banking system. Where this view obtains, the lowering of the ratio of gold to demand liabilities brought about by credit expansion may undermine confidence. A campaign of elementary education of the public might be expected to accomplish much in correcting exaggerated views of the significance of the reserve ratio. The character of the earning assets, always many times the cash holdings, is obviously the primary factor in estimating the strength of a bank.

Liberal Credit Policy

Credit requirements after the war should not be left unsatisfied, whatever may happen to reserve ratios. Fortunately, a liberal credit policy is not likely to involve anything beyond a temporary lowering of reserve ratios, and perhaps not even that. The liquidation of Government floating debt after the war, of loans to subscribers to war loans, and sales of Government securities held by banks may be expected to offset to some extent new credits made to peaceful industry. Credits to war industries will become peace credits as those industries are converted to peace uses. And, finally, even a moderate decline in prices will permit a given physical volume of trade to be conducted with a smaller volume of credit. Taking all these considerations into account, there would seem to be nothing in the domestic situation of any of the countries with which we are associated in the war, which will force them to adopt a policy of drastic credit contraction after the return of peace.

But when the international commercial and financial position of these countries is examined, the ability of the banks of many of them to provide adequate credit appears far less certain. Constant slight changes in the supply of money, the volume of credit, and in prices are the means by which each country in normal times adjusts itself to changes in its commercial and financial position with reference to the rest of the world. Stable equilibrium is never reached, but a wide departure from that condition is avoided. During the war these monetary credit and price adjustments have not been made. Each country has been in what may be styled a water-tight compartment with regard to these matters. At the same time the war has occasioned extraordinary changes in the commercial and financial position of the different countries.

After the return of peace, very great monetary, credit, and price changes will presumably be required before anything approaching normal equilibrium is again reached, but the extent and direction of these changes in the case of any particular country, the United States perhaps excepted, cannot be foreseen. In these circumstances, the continuance of the water-tight compartment situation will be the path of least resistance, and indeed the only feasible course, for most countries, if each country must rely entirely upon itself in meeting the financial requirements and strain of the period of reconstruction.

Confronted with the apparent necessity of choosing between the provision of adequate credit for domestic industry and the maintenance of a free gold market, the former course would certainly and rightly be preferred. The danger of abnormally large withdrawals of gold would be so great that restrictions on gold exports, with consequent wide fluctuations in foreign exchange rates, might be expected to continue indefinitely. Among all the countries engaged in the war the United States alone would seem to be immune from this danger. Our gold holdings are conspicuously large, and should therefore permit us to view large withdrawals with equanimity. Moreover, the after-the-war situation of the country will be such that gold exports can only take place as a result of very considerable advances to foreign countries, a matter that can readily be controlled by means of changes in discount rates.

To Prevent Gold Restriction

This statement regarding the future situation of the United States is consciously made without the qualifications which usually accompany predictions. Before the war the United States was a debtor country. It regularly exported a half billion dollars' worth of goods in excess of its merchandise imports to cover interest and dividend payments, tourist expenditures, shipping charges, and other services. After the war the United States must needs import more than is exported unless payments are balanced by large foreign investments of American capital. Foreign-owned American securities have been returned in large volume, and the European Governments with which we are associated in the war have incurred heavy obligations to the United States Government. It is further to be noted that during the period of reconstruction rehabilitation work in Europe will occasion an intense demand for many materials and manufactured products for which the United States will be the principal source of supply. Our exports during the next few years are certain greatly to exceed our imports if we are prepared to accept obligations in lieu of cash payment. Sooner or later, however, trade must be adjusted in a fashion which will enable European countries to balance payments with the rest of the world without incurring constantly increasing indebtedness.

A European demand for large supplies of materials and finished goods will greatly simplify the process of readjustment in this country. But since immediate payment will be out of the question, we, as lenders, must take the solvency of Europe into account. Among considerations affecting solvency by no means the least important is the maintenance of unrestricted gold payments, since restrictions on gold movements will tend to perpetuate abnormal and unstable trade and price situations, and so increase the risks of the foreign lender.

From this analysis it would appear that Europe will find itself between the horns of a dilemma, unable to permit unrestricted gold movements because of the danger of the loss of much of its scanty gold supply and facing the loss of borrowing power if restrictions are imposed. There is, however, one entirely feasible means of overcoming both of these difficulties. It would not be hazardous for any country to forego restrictions on gold movements if it were assured that foreign credits would surely be furnished to enable it to take care of extremely unfavorable balances in dealings with the rest of the world.

The experience of the Federal Reserve Banks furnishes a convincing example. Suppose each Reserve Bank were to adopt a gold restriction policy, coupled with strenuous efforts to increase its stock of the metal. Is it not clear that the two billions of gold now held would be an inadequate support for the credit structure? Certainty that balances will be settled in gold, coupled with arrangements for borrowing from each other, gives a maximum of effectiveness to gold as a basis for credit.

Advantages to the United States

No such complete and automatic arrangements as have been developed by the Reserve Banks for making settlements are feasible between countries, but a partial approach to them would be of great advantage. As a first step, it would be necessary to obtain the acceptance by the central banks of leading countries of the view that reconstruction was desirable. A conference between representatives of central banking institutions would seem to be the appropriate method of procedure. Readiness to co-operate may be expected, since there are obvious advantages and no apparent disadvantages to any country from the adoption of a unified gold and credit policy during the period of reconstruction. Take the case of France for example. To exert pressure upon that noble country is not to be considered for a moment. But a modification of the long-standing gold restriction policy of the Bank of France would be of evident advantage, if in return assurance was given that sufficient credits would be available to check a gold outflow of dangerous proportions.

The United States is clearly in a peculiarly favorable position to take the initiative in obtaining the adoption of a unified credit policy among the nations during the difficult years ahead. It is from this country that credits will be needed to enable Europe to meet unfavorable balances. It will be to our advantage to furnish gold to strengthen the credit structure elsewhere if a unified policy is adopted. On the other hand, if each country adopts an independent gold restriction policy we shall presumably acquire more gold, though it will be of no real advantage to us and a positive serious loss to the countries from which it is drawn.

The policy which is here urged would have at least three distinct advantages for the United States. It would remove in large measure the danger of a wild scramble among the nations for gold, which is expected by many to manifest itself in a struggle of unprecedented bitterness for foreign trade, a struggle which may threaten the future peace of the world. Readiness on our part to grant liberal credits, and, if necessary, to furnish gold to strengthen the credit structure, in foreign countries will facilitate foreign purchases here. Purchases limited to the dire needs of people in other countries cannot be expected to approach in magnitude those which will arise naturally from a rapid revival of profitable industry throughout the world.

Finally, if other countries are unable to re-establish their credit institutions upon a firm foundation with something like the present volume of credits outstanding, there will be a sharp fall in prices in those countries They will thus be able to sell at a profit an increasing range of goods in this country, a situation which sooner or later, through its disturbing effect on producers here, would enforce the contraction of credit and the readjustment of prices. All the world can perhaps remain indefinitely upon a level of price omewhat, but not far below that reached at the close of the war. For any one country this is not possible except under conditions of inconvertibility such as accompanied and followed the civil war in the United States.

AMERICANS IN WEST

Some Interesting Statistics About The Prairie Population

WASHINGTON.—According to official figures, the total number of Americans that have taken up residence in the Province of Alberta since 1905, including five months of the fiscal year 1918-19, reaches 275,093. In 1905 the Province of Alberta was organized, and statistical information has been kept since that date of the immigration into the three provinces, Manitoba, Saskatchewan, and Alberta. Saskatchewan ranks second, with 226,330 immigrants; and Manitoba third, with only 78,789. The largest immigration into Alberta from the United States came in 1909-10, and numbered 34,563; the smallest in 1918-19, numbered 5,613.

The total population of Alberta in 1916 was given officially as 496,525.

The British immigration during the 13 years since the province was organized, was 73,082, and other than British 40,282, making a total of 113,364, as compared with 275,093 immigrants of American nationality. The predominance of the American immigrant over all other nationalities is nearly 70 per cent. Assuming that the proportion of immigrants from the United States residing in Alberta, prior to the organization of the province, was about the same as is now existing, the total American population in Alberta to-day is probably 325,000 out of the entire 496,525 population, or about 65 per cent. Of course, hundreds of Americans have taken up Government land and have become naturalized, and many hundreds of immigrants have left the United States before they have completed their naturalization there. But the predominance of Americans in Alberta is very marked, and this predominance has a directing influence upon trade with the United States.

Subscriptions to the French National Defence short-term bonds totaled $224,600,000 in the first two weeks of January, against an average of $240,000,000 fortnightly in the preceding three months.

HAMILTON PROVIDENT

Increased Expenses a Factor in Reducing Net Profits

While the interest earned and other income of the Hamilton Provident and Loan Society, at $312,272, showed a little decline during 1918 from the future of $313,843, for 1917, there was a considerable reduction in net profits, largely on account of increased operating expenses. General expenses, for example, rose from $33,919 to $38,016, and there was some increase in commissions on loans and fees for inspection of land. The result was that net profits of $165,897 compared with $174,241 in 1917 and $176,575 in 1916 Dividends took $96,000 and war taxes $5,051, the balance of $64,846 being carried to reserve, which now stands at $1,200,000 and thus equals the paid-up capital stock, while there is a contingent fund of $28,840. Following are comparative figures for the past three years:

	1918	1917	1916
*Profits	$165,897	$174,241	$176,575
Distribution—			
Dividends	$ 96,000	$ 96,000	$ 96,000
War tax	5,051	5,759	3,544
Reserve	64,846	70,000	75,000
Contingent	......	2,482	2,030
	$165,897	$174,241	$176,575

*After payment of Government and Business Tax.

Total assets at $4,579,473 compare with $4,697,757 a year ago. Mortgages held are about $60,000 greater and debentures are slightly higher, but there has been a reduction of about $180,000 in cash. On the other hand savings deposits have declined over $26,000 a dnsterling debentures are considerably over $30,000 less.

	Paid-up Capital	Profit	Div.	Cap.	Earn. Rate
1918	$1,200,000	$165,897	8	13.7	7.0
1917	1,200,000	174,241	8	14.5	7.8
1916	1,200,000	176,575	8	14.7	8.0
1915	1,200,000	154,546	8	13.7	7.6
1914	1,200,000	160,843	8	13.4	7.8

The estate of S. H. Brown, for many years a governor of the N. Y Stock Exchange, is appraised at $328,494.

The Trusts and Guarantee Company Limited

22nd ANNUAL REPORT

Balance Sheet, December 31st, 1918

ASSETS

Capital Account—		
Mortgage Loans, Call Loans, Debentures and other Securities, with interest accrued thereon	$ 1,656,925.45	
Office Furniture, Fixtures, etc., at Toronto, Calgary and Brantford	23,471.64	
Real Estate	129,814.61	
Cash on hand and in Bank	89,300.05	
		$ 1,899,511.75
Uncalled Capital Stock		608,072.25
Guaranteed Trust Account—		
Securities on Real Estate, Bonds, Debentures, Stocks, etc.	$ 4,329,611.33	
Government, Provincial, Municipal and Rural District Bonds	781,549.13	
Cash in Bank	70,900.65	
		$ 5,182,061.11
Estates and Agency Account—		
Mortgages on Real Estate	$ 1,636,620.01	
Other Securities, including Government and Municipal Bonds and Unrealized Original Assets	10,913,613.34	
Cash in Bank	233,320.90	
		$12,783,554.25
		$20,473,199.36

LIABILITIES

Capital Account—		
Capital Stock Subscribed	$ 2,000,000.00	
Dividend due January 1st, 1919	41,743.35	
Sundry Accounts Payable	596.57	
Balance at Credit of Profit and Loss	465,244.08	
		$ 2,507,584.00
Guaranteed Trust Account—		
Trust Funds, with interest accrued to date	$ 5,182,061.11	
		$ 5,182,061.11
Estates and Agency Account—		
Estates and Trusts under Administration by the Company	$12,783,554.25	
		$12,783,554.25
		$20,473,199.36

JAMES J. WARREN, President.
E. B. STOCKDALE, General Manager.

We have checked the cash and bank accounts, with the books and vouchers of The Trusts and Guarantee Company, Limited, for the year ended December 31, 1918, and have examined the mortgage deeds, securities and certificates representing the assets set out in the above Balance Sheet, and find them in order; and we hereby certify that the said Balance Sheet exhibits a true and correct view of the state of the Corporation's affairs as shown by its accounts. The books are properly kept and all required information has been given.

GEORGE EDWARDS, F.C.A. } Auditors.
H. PERCY EDWARDS, C.A.
of EDWARDS, MORGAN & COMPANY, Chartered Acountants.

Toronto, 18th January, 1919.

Population, Number of Telephones and Telephone Development, as of January, 1918, with Rates Now in Effect, for Cities in the United States Comparable with Montreal and Toronto

Name of Place	Pop.	No. of Telephones	% per 100 Pop.	Business Indiv.	Business 2 Pty. Line	Residence Indiv.	Residence 2 Pty. Line
Detroit, Mich. ...	900,000	117,020	13.0	†108.00	84.00	†60.00	*
Pittsburg, Pa. ...	870,000	95,183	10.9	*	*	54.00	*
Cleveland, Ohio ..	868,000	93,193	10.7	†108.00	....	†60.00	*
MONTREAL, Que.	**733,000**	**58,718**	**8.0**	**55.00**		**35.00**	
Baltimore, Md. ..	670,000	68,284	10.2	*	*	†48.00	*
Cincinnati, Ohio .	618,000	77,873	12.6	†100.00	....	48.00	30.00
San Francisco, Cal.	593,000	130,390	22.0	*	*	42.00	36.00
Los Angeles, Cal..	572,000	132,629	23.2	† 63.00	45.00	†27.00	24.00
Jersey City, N.J. .	571,000	31,400	5.5	*		†48.00	....
Milwaukee, Wis. .	529,000	63,526	12.0	† 87.00	72.00	†42.00	†33.00
Buffalo, N.Y.	488,000	53,947	11.1	*	....	†48.00	....
TORONTO, Ont...	**482,000**	**69,538**	**14.4**	**50.00**	**42.00**	**30.00**	**24.00**
Newark, N.J.	459,000	38,593	8.4	*		†48.00	....
Kansas City, Mo..	450,000	45,208	10.	60.00	....	36.00	30.00
New Orleans, La..	411,000	27,484	6.7	† 96.00	....	†48.00	36.00
Washington, D.C..	405,000	71,445	17.6	*	*	48.00	*
Minneapolis, Minn.	381,000	67,242	17.7	72.00	48.00	30.00	24.00
Oakland, Cal.	365,000	52,331	14.3	† 84.00	....	36.00	27.00
Seattle, Wash. ...	360,000	60,224	16.7	† 90.00	....	36.00	30.00
Louisville, Ky. ...	331,000	18,376	5.6	† 72.00	51.00	†36.00	24.00
Providence, R.I. .	317,000	39,648	12.5	† 80.00	†60.00	†39.00	†33.00
Portland, Ore. ...	308,000	51,143	16.6	† 96.00	60.00	36.00	27.00

† Measured rates also quoted. * Measured rates only quoted.

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